



# THEMBELIHLÉ

LOCAL MUNICIPALITY  
PLAASLIKE MUNISIPALITEIT  
U-MASIPALA WASEKUHALENI

# DRAFT ANNUAL BUDGET 2015/2016



<u>No.</u>	<u>Section Description</u>	<u>Page</u>
	List of figures, tables and annexures	1-3
	Glossary	4-5
<b>Part 1</b>	<b>Annual budget</b>	
1	Mayoral Speech	6-8
2	Resolutions	9-10
3	Executive summary	11-12
4	Quality Certificate	13
5	Annual budgets tables	14-25
<b>Part 2</b>	<b>Supporting documentation</b>	
6	Overview of annual budget process	26-33
7	Overview of alignment of annual budget with Integrated Development Plan	34-35
8	Measurable performance objectives and indicators	36-39
9	Overview of budget-related policies	39-40
10	Overview of budget assumptions	40-45
11	Overview of budget funding	45-48
12	Expenditure on allocations and grant programmes	48-49
13	Monthly targets for revenue, expenditure and cash flow	50-51
14	Councillor, board member allowances and employee benefits	52-53
15	Annual budgets and service delivery and budget implementation Plans – internal departments	53-57
16	Reconciliation of IDP strategic objectives and capital budget	58-59
17	Legislation compliance status	60
18	National Treasury directives	60-61
19	Capital expenditure details	62
20	Other supporting documents	63-64
21	Annexures	65-434

---

## A. LIST OF FIGURES AND TABLES

<u>No</u>	<u>Description</u>	<u>Page</u>
Table 1	Budget Summary (Table A1)	14-15
Table 2	Budgeted Financial Performance (Revenue and Expenditure by standard classification) (Table A2)	16
Table 3	Budgeted Financial Performance (Revenue and Expenditure by municipal vote) (Table A3)	17
Table 4	Budgeted Financial Performance (Revenue and Expenditure) (Table A4)	18
Table 5	Budgeted Capital Expenditure by vote, standard classification and funding (Table A5)	19
Table 6	Budgeted Financial Position (Table A6)	20
Table 7	Budgeted Cash Flows (Table A7)	21
Table 8	Cash backed reserves/accumulated surplus reconciliation (Table A8)	22
Table 9	Asset Management (Table A9)	22-23
Table 10	Basic service delivery measurement (Table A10)	24-25
Table 11	Organizational structure	28-29
Table 12	IDP and Budget time schedule	30-33
Table 13	Performance Indicators (Support Table SA8)	36-37
Figure1	Policies amendments	39
Table 14	Transfer and grant made by the municipality (Supporting Table SA21)	43
Table 15	Detailed Capital Budget (Supporting Table SA36)	44
Table 16	Medium term operating budget	45
Table 17	Medium term capital budget and funding sources	45
Table 18	National Allocations	47
Table 19	Provincial Allocations	48
Table 20	Expenditure on allocations and grant programmes (Support Table SA19)	48-49
Table 21	Monthly targets for revenue and cash flow (Support Table SA30)	50-51

<u>No</u>	<u>Description</u>	<u>Page</u>
Table 22	Salaries, allowances and benefits (Political office bearers, councilors' and senior managers) (Support Table SA23)	52
Table 23	Councillors and board member allowances and employee benefits (Support Table SA22)	53
Table 24	Reconciliation of IDP strategic objectives and budget (capital expenditure) (Support Table SA6)	58
Table 25	Capital Expenditure by Asset class/sub class (Supporting Table SA34 (a))	59
Table 26	Detailed capital budget (Support TableS A36)	62
Table 27	Financial performance budget (revenue source / expenditure type and department) (Support Table SA2)	63-64
<b>Part 3</b>	<b>Annexure</b>	62-434
	Annexure 1: Rates Policy	63-82
	Annexure 2: Tariff Policy	82-101
	Annexure 3: Credit Control an Debt Collection Policy	101-132
	Annexure 4 Indigent Policy	133-138
	Annexure 5: Supply Chain Management	138-186
	Annexure 6: Bank & Investment Policy	186-198
	Annexure 7: Principles and Policy on Budget Virements	199-210
	Annexure 8: General Ledger Chart of Accounts	211-235
	Annexure 9: Risk Management Policy	236-256
	Annexure 10: Cellphone Policy	257-261
	Annexure 11: Asset Management Policy	262-287
	Annexure 12: Integrated Development Plan	288-430
	Annexure 13: Tarrifs	431-433
	Annexure14: Excell Budget Format	434

**Adjustments Budgets** – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

**Allocations** – Money received from Provincial and National Treasury.

**Budget** – The financial plan of a municipality.

**Budget related policy** – Policy of a municipality affecting or affected by the budget. Examples include traffic policy, rated policy and credit control and debt policy.

**Budget Steering Committee** – Committee established to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.

**Capital Expenditure** – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

**Cash Flow Statement** - A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

**CPI** – Headline Consumer Price Index

**DORA** – Division of Revenue Act. Annual legislation which shows the allocations from national to local government.

**DoRb** – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to assist municipalities with the costs of free basic services.

**CDFI** – Gross Domestic Fixed Investment

**GFS** – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

**IDP** – Integrated Development Plan. The main strategic planning document of a municipality.

**KPI** – Key Performance Indicators. Measures of service output and/or outcome.

**MFMA** – Municipal Finance Management Act (No 53 of 2003). The principal piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level thereof. It effectively represents a municipality's medium term financial plan.

**MYPD** – Multi Year Price Determination

**NT** – National Treasury

**Operating Expenditure** – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

**Portfolio Committee** – Section 79 of the Structures Act dictates that a municipal council may (a) establish one or more committees necessary for the effective and efficient performance of any of its functions or the exercise of any of its powers and (b) appoint the members of such a committee from among its members. Portfolio Committees process policies and bylaws relating to the functional areas within their terms of reference, and are responsible for implementation monitoring of these, as well as oversight of the functional areas. This oversight function is further enhanced by the Portfolio Committee's responsibility of assessing and monitoring the performance of service delivery which inter alia includes ensuring that the annual budgets of the municipality's departments are spent wisely and that there is no wastage or corruption.

**Rates** – Local Government tax based on assessed valuation of a property.

**TMA** – Total Municipal Account

**SCM** – Supply Chain Management

**SDBIP** – Service Delivery Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**SFA** – Strategic Focus areas: The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these strategic focus areas.

**Vote** – One of the main segments into which a budget is divided, usually at directorate level

COUNCILLORS

COMRADES, FRIENDS

LADIES & GENTLEMEN

MUNICIPAL MANAGER, YOUR MANAGEMENT TEAM & MUNICIPAL OFFICIALS

**It is such an honor to present the reviewed Integrated Development Plan and the Draft Medium Term Budget for the 2015/16 financial year of the municipality.**

**The IDP and Budget is presented at the most critical time, when there is a growing demand for municipal services, amidst unemployment and poverty, and the ever increasing cost of living.**

**It is unbelievable how time flies. This is our fifth budget and IDP which we developed ourselves to approve. We have continued providing services to our people even if not at the level that we want to. As a council, we must be proud of that and we should not shy away from giving a round of applause to ourselves. To the outsiders who do not know what is happening in the municipality and to those who do not want to see us succeeding in our efforts, such an achievement might not be regarded as something to write home about. Those amongst us, who knew the status of the finances of the municipality at the time we took over, will appreciate what we are talking about.**

**There was at first IDP Consultations. These consultations were fruitful and I can say with confidence that it was the first time that the Budget is linked to the IDP and not the other way around. We, as a Council, will have to make a bold attempt through the allocations we made, to address challenges in order to improve on service delivery.**

**The SDBIP is a tool linked to performance of managers and their Departments which will clarify questions of what is to be done, where will it be done, how it is to be done, how much is budgeted for, who are the responsible managers and tangible reports will be received.**

**Still our biggest challenge, i.e. debt collection, will have to be robustly attended to with programmes that are complimenting those we have. For every expense, there must be a corresponding income.**

**It is of great pleasure to table the Draft Budget for the 2015/2016 MTREF of the municipality.**

**Key figures that I would like to emphasize are:**

- **the increase of our annual budget from the previous year of 2014/2015 of R 77,717,115.00 by R 6,579,240.00 to the budget of 2015/2016 of R 84,296,355.00 which is an 11,29% increase.**
- **the Capital Budget increases by 35,4% from R12,737,100.00 from the previous year to R17,256,550.00 for the 2015/2016 financial year.**

- projected revenue being R73,333 million and expenditure being R84,296 million. We are thus budgeting for a deficit of R10,962 million.
- the budget will also indicate that tariffs have increased by a base line increase of 5.8% for the year coming and for Electricity, which increased by an overall 12.20% as per notice from the National Energy Regulator of South Africa as well as National Treasury MFMA Circular No.74.
- we will also be implementing a new property valuation roll and the budgeted increase with regards property rates is 9%.
- the budget book contains the details in the outer years of the medium term revenue and expenditure framework which in essence maintain this trend.

**Our major cost drivers reflect as follows:**

• Employee Cost (both council and officials):	R 24,784,205.00
• Repairs and Maintenance:	R 1,094,772.00
• Operating Cost:	R 31,574,705.00
• Capital Cost:	R 17,256,550.00
• Depreciation:	R 9,586,123.00
<b>TOTAL EXPENDITURE</b>	<b>R 84,296,355.00</b>

**Our Major Revenue Sources that we anticipate:**

• Grants & Subsidies –	R 23,478,450.00
• Income Generated –	R 32,598,859.00
• Capital Funding –	R 17,256,550.00
<b>TOTAL INCOME</b>	<b>R 73,333,859.00</b>

**The total capital budget is funded as follows:**

National Government –	R 17,256,550.00
<b>TOTAL SOURCE</b> –	<b>R 17,256,550.00</b>

**During the Financial Year of 2015/2016 major capital projects that we anticipate to be completed are as follows:**

- Upgrading of Roads in Steynville
- Upgrading of roads in Deetlefsville
- Ground Water in Strydenburg

**Honorable Speaker, the draft recommendations of this budget will be dealt with when the budget is presented to Council for adoption.**

**I would like to propose that when the public participation process unfolds these issues be thoroughly discussed. The public participation on the revised IDP and Budget is set for the middle of April. These inputs will need to be considered and factored in before we finalize the budget.**

**In conclusion I wish to thank all those officials who work hard to render a better service to our citizens. I also wish to thank all those personnel members who worked hard to put this IDP and budget together.**

**I thank my fellow Councillors for their support and unwavering commitment to the people of Thembelihle Municipality.**

**I thank members of this council and public out there for their continuous support.**

**I hereby table the IDP, the draft budget, policies and tariffs as stipulated on the agenda.**



Councillor Danny A Jonas

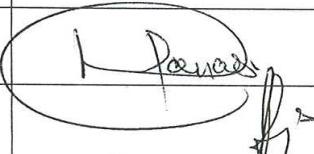
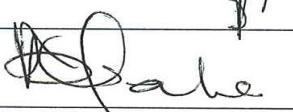
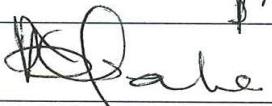
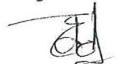
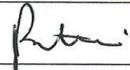
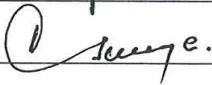
**Mayor of the Municipality of Thembelihle**

8 J. C

Minutes of a Special Council Meeting that took place the 31 March 2015 at the Council Chambers Hopetown at 10:00

ITEM NR	ITEM DESCRIPTION	COUNCIL DECISION	RESPONSIBLE PERSON	REPORTING TO
SCM4.1/ 31/3/2015	<p><b>Draft Operational Budget 2015/16</b></p> <p><b>Draft Integrated Development Plan 2015/16</b></p> <p><b>Draft Tariff 2015/016</b></p> <p><b>Draft Financial Policies</b></p>	<p>That Council approves the</p> <ul style="list-style-type: none"> <li>⊕ Draft Operational Budget 2015/2016</li> <li>⊕ Draft Integrated Development Plan 2015/16</li> <li>⊕ Draft Tariffs 2015/2016</li> <li>⊕ Draft Financial Policies</li> </ul> <p>1) Travel and subsistence policy</p> <p>2) Virement policy</p> <p>3) Cell phone policy</p> <p>4) General Ledger Chart of accounts maintenance policy</p> <p>5) Fixed Asset Management policy</p> <p>6) Indigent policy</p> <p>7) Property Rates policy</p> <p>8) Customer care credit control and revenue management policy</p> <p>9) Cash management and investment policy</p> <p>10) Supply chain management policy</p> <p>11) Policy on unauthorized irregular, fruitless and wasteful expenditure and the enforcement of proper financial management through disciplinary and criminal proceedings</p> <p>12) Tariff policy</p> <p><b>Proposed: Cllr Madekane</b></p> <p><b>Seconded: Cllr De Bruin</b></p>	CFO	MM

**THEMBELIHLA MUNICIPALITY****SPECIAL COUNCIL MEETING****31 MARCH 2015**

NAME	SIGNATURE
D JONAS	
M HUMPHREYS	
B MPAMBA	
A KYWE	
E DE BRUIN	
P LOUW	
S MADEKANE	
OFFICIALS	
M MOGALE	
G BUTTERWORTH	
E MGUYE	
S MAFURU	
J CEDRAS	

Thembelihle Municipality is situated in an area with vast differences in its area of jurisdiction. On the one hand we have Hopetown on the banks of the Orange River and on the other hand we have Strydenburg marred by droughts and water shortages.

Our area is mainly dependent on the farming activities in and around the municipal areas and subsequently a high level of unemployment is being experienced by our communities.

The preparation of the Draft 2015/2016 Medium Term Revenue and Expenditure Framework (MTREF) was an extremely challenging one as various factors, with considerable potential impacts on core service delivery, cost and revenue components influenced the outcome of this MTREF.

The challenge to produce a sustainable, affordable budget necessitated reductions to certain budgetary provisions. Circular 74 prescribes that a budget must be realistic, sustainable and relevant; and must be fully cash funded. To comply with these prescribes, it is a requirement that the municipality must produce a positive cash flow budget for the 2015/2016 financial year. This was no mean task to achieve which resulted in having to apply a very conservative approach during the budget process.

The MFREF-based revenue and expenditure projections assumed inflation-linked annual adjustments between 5.8% and 5.3% respectively for the 3-year budget period of 2015/2016, 2016/2017 and 2017/2018. We also embark to introduce the Inclined Block Tariff setting method for residential users of electricity and for large users of electricity. This will mean that tariffs are set based on the units consumed. We will also be implementing a new property valuation roll and the budgeted increase with regards property rates is 9%.

Further key parameters applied to the Municipality's financial framework included the following for the 2015/2016 financial year:

**Revenue / tariff increases**

• Rates	9%
• Electricity	12.20%
• Water	5.8%
• Sanitation	5.8%
• Refuse	5.8%
• Salaries and Wages adjustments	6.8%
• General Expenses	5.8%

**Our major cost drivers reflect as follows:**

• Employee Cost (both council and officials):	R 24,784,205.00
• Repairs and Maintenance:	R 1,094,772.00
• Operating Cost:	R31,574,705.00
• Capital Cost:	R 17,256,550.00
• Depreciation:	R 9,586,123.00

**TOTAL EXPENDITURE** **R 84,296,355.00**

Our Major Revenue Sources that we anticipate:

- Grants & Subsidies – R 23,478,450.00
- Income Generated – R 32,598,859.00
- Capital Funding – R 17,256,550.00

**TOTAL INCOME** **R 73,333,859.00**

The total budget as indicated above reflects the following about the municipality

- That both the capital expenditure and operational expenditure, excluding depreciation and debt impairment, budgets are fully cash funded.
- Salary increase from R22,825,872 to R24,784,205
- Capital budget increase from R12,737,100 to R17,256,550
- Projected Revenue increase from R63,722,136 to R73,333,859
- The municipality committed to spend within the approved budgets
- Ensure that a stable collection rate between 70% and 90% is anticipated
- Capital projects are focused on service delivery and a better living

The budget has been prepared in terms of guidelines as contained in National Treasury Circular 74. Budget related policies need to be revised or amended to ensure that the municipality has effective guidelines to performance their duties.

I hereby recommend that this draft budget presented to council will be adopted.



JG BUTTERWORTH  
CHIEF FINANCIAL OFFICER

## THEMBELIHLE MUNICPLAITY (NC076)

**Quality certificate in terms of Section 5 of the Municipal Budget Regulations;  
Government Gazette 32141, 17 April 2009...**

I Abraham Mpho Mogale, Municipal Manager of Thembelihle Municipality hereby certify that the Draft Annual Budget for 2015/16 and supporting documentation have been prepared In accordance with the Municipal Financial Management Act No 56 of 2003 and the regulations made under the Act and that the budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.



---

**ABRAHAM MPH0 MOGALE**

**MUNICIPAL MANAGER**

**The Budget schedules approved by resolution of Council:**

**Table 1 – Budget Summary**

**NC076 Thembelihle - Table A1 Budget Summary**

Description	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17
<b>Financial Performance</b>									
Property rates	2 268	2 373	2 093	3 401	4 060	4 060	4 220	4 070	3 247
Service charges	13 349	14 847	14 347	17 223	18 491	18 491	20 633	23 042	25 754
Investment revenue	–	–	660	347	301	301	318	337	358
Transfers recognised - operational	22 060	17 316	16 750	21 532	21 532	21 532	23 478	23 161	23 846
Other own revenue	7 826	3 907	3 262	8 787	6 601	6 601	7 428	7 874	8 346
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>45 503</b>	<b>38 443</b>	<b>37 112</b>	<b>51 290</b>	<b>50 985</b>	<b>50 985</b>	<b>56 077</b>	<b>58 485</b>	<b>61 551</b>
Employee costs	12 151	15 280	15 587	21 325	20 207	20 207	21 976	23 397	24 895
Remuneration of councillors	1 667	1 803	1 933	2 380	2 619	2 619	2 808	2 998	3 193
Depreciation & asset impairment	10 047	10 267	10 756	3 291	10 107	10 107	9 586	9 818	9 720
Finance charges	–	965	878	393	645	645	685	725	765
Materials and bulk purchases	10 077	10 705	11 497	8 186	10 186	10 186	12 146	14 722	18 574
Transfers and grants	412	2 073	660	1 313	1 174	1 174	1 247	1 319	1 391
Other expenditure	21 731	13 622	15 855	18 250	20 042	20 042	18 592	18 660	18 770
<b>Total Expenditure</b>	<b>56 085</b>	<b>54 715</b>	<b>57 167</b>	<b>55 137</b>	<b>64 980</b>	<b>64 980</b>	<b>67 039</b>	<b>71 638</b>	<b>77 308</b>
<b>Surplus/(Deficit)</b>	<b>(10 582)</b>	<b>(16 272)</b>	<b>(20 055)</b>	<b>(3 847)</b>	<b>(13 995)</b>	<b>(13 995)</b>	<b>(10 962)</b>	<b>(13 154)</b>	<b>(15 757)</b>
Transfers recognised - capital	12 489	29 907	12 032	21 088	12 737	12 737	17 257	9 071	9 334
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1 908</b>	<b>13 635</b>	<b>(8 023)</b>	<b>17 241</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 295</b>	<b>(4 083)</b>	<b>(6 423)</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>1 908</b>	<b>13 635</b>	<b>(8 023)</b>	<b>17 241</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 295</b>	<b>(4 083)</b>	<b>(6 423)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>
Transfers recognised - capital	18 044	28 308	11 612	20 007	12 737	12 737	17 257	9 071	9 334
Public contributions & donations	–	–	–	1 081	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	644	177	107	–	–	–	–	–	–
<b>Total sources of capital funds</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>
<b>Financial position</b>									
Total current assets	5 503	9 373	12 253	10 461	12 005	12 005	14 820	16 126	13 563
Total non current assets	190 121	196 749	196 746	215 692	203 868	203 868	221 730	221 530	221 665
Total current liabilities	17 832	32 853	40 740	31 621	25 149	25 149	51 765	53 005	57 320
Total non current liabilities	17 732	12 517	10 506	16 604	16 029	16 029	10 810	10 676	9 510
Community wealth/Equity	160 060	160 752	157 753	177 928	174 695	174 695	173 975	173 975	168 398

<b>Cash flows</b>									
Net cash from (used) operating	19 811	32 164	13 347	21 842	14 806	14 806	20 064	10 462	7 194
Net cash from (used) investing	(18 684)	(28 502)	(11 533)	(18 370)	(12 100)	(12 100)	(16 394)	(8 618)	(8 868)
Net cash from (used) financing	(153)	(66)	(70)	(33)	(710)	(710)	(710)	(710)	(710)
<b>Cash/cash equivalents at the year end</b>	<b>3 066</b>	<b>6 662</b>	<b>8 406</b>	<b>7 912</b>	<b>10 402</b>	<b>10 402</b>	<b>13 362</b>	<b>14 495</b>	<b>12 112</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	3 066	6 662	8 406	7 912	10 402	10 402	13 362	14 495	12 112
Application of cash and investments	44 419	50 891	57 643	53 315	49 070	49 070	72 830	73 666	77 903
<b>Balance - surplus (shortfall)</b>	<b>(41 353)</b>	<b>(44 229)</b>	<b>(49 237)</b>	<b>(45 403)</b>	<b>(38 668)</b>	<b>(38 668)</b>	<b>(59 468)</b>	<b>(59 171)</b>	<b>(65 791)</b>
<b>Asset management</b>									
Asset register summary (WDV)	190 121	206 898	211 857	210 919	198 157	165 089	211 297	211 097	211 232
Depreciation & asset impairment	10 047	10 267	10 756	3 291	10 107	10 107	9 586	9 818	9 720
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	2 386	1 900	1 902	1 288	796	796	1 095	1 448	2 113
<b>Free services</b>									
Cost of Free Basic Services provided	-	44	63	162	162	162	162	162	162
Revenue cost of free services provided	-	137	164	574	574	574	594	594	594
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	1	1	1	1	1	1
Energy:	-	2	2	2	2	2	2	2	2
Refuse:	-	-	-	-	-	-	-	-	-

Table 1: Budget Summary (Table A1)

**Table 2 – Budgeted Financial Performance (Revenue and Expenditure by standard classification)**

NC076 Thembelihle - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)									
Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue - Standard</b>									
<b>Governance and administration</b>	17 752	20 453	18 471	24 183	24 448	24 448	27 104	27 712	27 649
Executive and council	12 349	14 633	12 914	16 735	16 736	16 736	18 676	19 187	19 447
Budget and treasury office	4 890	5 318	5 023	6 893	7 103	7 103	7 784	7 842	7 479
Corporate services	512	502	534	555	608	608	644	683	724
<b>Community and public safety</b>	1 874	534	1 388	1 288	918	918	937	957	978
Community and social services	1 874	534	1 388	1 288	918	918	937	957	978
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	13 461	12 658	7 353	16 921	13 511	13 511	15 285	14 771	15 366
Planning and development	8 715	11 918	6 863	11 616	8 819	8 819	10 311	9 498	9 777
Road transport	4 745	740	491	5 305	4 693	4 693	4 974	5 273	5 589
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	24 906	34 705	21 931	29 986	24 845	24 845	30 008	24 116	26 892
Electricity	10 892	12 969	8 409	15 170	10 421	10 421	11 647	13 021	14 558
Water	10 833	18 319	9 728	9 686	10 306	10 306	13 996	6 469	7 429
Waste water management	2 061	2 207	2 484	3 129	2 665	2 665	2 825	2 995	3 175
Waste management	1 121	1 210	1 310	2 001	1 452	1 452	1 539	1 632	1 729
<b>Other</b>	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	57 993	68 350	49 143	72 378	63 722	63 722	73 334	67 556	70 885
<b>Expenditure - Standard</b>									
<b>Governance and administration</b>	19 505	32 089	20 994	26 321	28 543	28 543	27 946	29 661	30 627
Executive and council	3 563	4 243	5 092	5 843	6 191	6 191	6 621	7 045	7 476
Budget and treasury office	11 409	13 234	10 617	16 040	17 173	17 173	15 791	16 913	17 001
Corporate services	4 533	14 613	5 285	4 438	5 179	5 179	5 534	5 703	6 150
<b>Community and public safety</b>	825	827	1 466	1 225	1 329	1 329	1 444	1 494	1 555
Community and social services	800	819	1 443	1 171	1 312	1 312	1 425	1 475	1 535
Sport and recreation	–	–	–	–	–	–	–	–	–
Public safety	25	8	23	54	17	17	18	19	20
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>	12 009	7 464	11 793	12 350	13 260	13 260	13 255	13 241	13 867
Planning and development	8 928	6 314	9 905	9 750	10 707	10 707	10 468	10 281	10 739
Road transport	3 081	1 150	1 888	2 600	2 554	2 554	2 787	2 961	3 128
Environmental protection	–	–	–	–	–	–	–	–	–
<b>Trading services</b>	23 747	14 335	22 914	15 245	21 847	21 847	24 395	27 243	31 259
Electricity	12 145	9 378	13 402	8 271	12 602	12 602	14 171	15 646	17 251
Water	6 133	2 906	4 802	3 823	6 025	6 025	5 896	7 202	9 516
Waste water management	2 871	1 011	2 157	1 687	1 745	1 745	2 094	2 139	2 176
Waste management	2 598	1 039	2 552	1 464	1 476	1 476	2 234	2 256	2 316
<b>Other</b>	–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Standard</b>	56 086	54 715	57 167	55 140	64 980	64 980	67 040	71 639	77 308
<b>Surplus/(Deficit) for the year</b>	1 907	13 634	(8 023)	17 238	(1 258)	(1 258)	6 294	(4 084)	(6 423)

**Table 2: Budget Summary (Table A2)**

**Table 3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)**

NC076 Thembelihle - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)									
Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue by Vote</b>									
Vote 1 - Executive and Council	12 349	14 633	12 914	16 735	16 736	16 736	18 676	19 187	19 447
Vote 2 - Budget & Treasury	4 890	5 318	5 023	6 893	7 103	7 103	7 784	7 842	7 479
Vote 3 - Corporate Services	512	502	534	555	608	608	644	683	724
Vote 4 - Community & Social Services	1 874	534	1 388	1 288	918	918	937	957	978
Vote 5 - Public Safety	–	–	–	–	–	–	–	–	–
Vote 6 - Planning & Development	8 715	11 918	6 863	11 616	8 819	8 819	10 311	9 498	9 777
Vote 7 - Road Transport	4 745	740	491	5 305	4 693	4 693	4 974	5 273	5 589
Vote 8 - Electricity	10 892	12 969	8 409	15 170	10 421	10 421	11 647	13 021	14 558
Vote 9 - Water	10 833	18 319	9 728	9 686	10 306	10 306	13 996	6 469	7 429
Vote 10 - Water Waste Management	2 061	2 207	2 484	3 129	2 665	2 665	2 825	2 995	3 175
Vote 11 - Waste Management	1 121	1 210	1 310	2 001	1 452	1 452	1 539	1 632	1 729
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
<b>Total Revenue by Vote</b>	<b>57 993</b>	<b>68 350</b>	<b>49 143</b>	<b>72 378</b>	<b>63 722</b>	<b>63 722</b>	<b>73 334</b>	<b>67 556</b>	<b>70 885</b>
<b>Expenditure by Vote to be appropriated</b>									
Vote 1 - Executive and Council	3 563	4 243	5 092	5 843	6 191	6 191	6 621	7 045	7 476
Vote 2 - Budget & Treasury	11 409	13 234	10 617	16 040	17 173	17 173	15 791	16 913	17 001
Vote 3 - Corporate Services	4 533	14 613	5 285	4 438	5 179	5 179	5 534	5 703	6 150
Vote 4 - Community & Social Services	800	819	1 443	1 171	1 312	1 312	1 425	1 475	1 535
Vote 5 - Public Safety	25	8	23	54	17	17	18	19	20
Vote 6 - Planning & Development	8 928	6 314	9 905	9 750	10 707	10 707	10 468	10 281	10 739
Vote 7 - Road Transport	3 081	1 150	1 888	2 600	2 554	2 554	2 787	2 961	3 128
Vote 8 - Electricity	12 145	9 378	13 402	8 271	12 602	12 602	14 171	15 646	17 251
Vote 9 - Water	6 133	2 906	4 802	3 823	6 025	6 025	5 896	7 202	9 516
Vote 10 - Water Waste Management	2 871	1 011	2 157	1 687	1 745	1 745	2 094	2 139	2 176
Vote 11 - Waste Management	2 597	1 039	2 552	1 464	1 476	1 476	2 234	2 256	2 316
Vote 12 - [NAME OF VOTE 12]	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–	–	–
<b>Total Expenditure by Vote</b>	<b>56 085</b>	<b>54 715</b>	<b>57 167</b>	<b>55 140</b>	<b>64 980</b>	<b>64 980</b>	<b>67 040</b>	<b>71 639</b>	<b>77 308</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 908</b>	<b>13 634</b>	<b>(8 023)</b>	<b>17 238</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 294</b>	<b>(4 084)</b>	<b>(6 423)</b>

**Table 3: Budgeted Financial Performance (revenue and expenditure by municipal vote) (Table A3)**

**Table 4 – Budgeted Financial Performance (revenue and expenditure)**

**NC076 Thembelihle - Table A4 Budgeted Financial Performance (revenue and expenditure)**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Revenue By Source</b>									
Property rates	2 268	2 373	2 093	3 401	4 060	4 060	4 220	4 070	3 247
Property rates - penalties & collection charges									
Service charges - electricity revenue	7 641	8 780	7 902	9 925	10 003	10 003	11 204	12 551	14 060
Service charges - water revenue	2 546	2 656	3 007	3 438	4 669	4 669	5 381	6 201	7 146
Service charges - sanitation revenue	2 042	2 202	2 245	2 492	2 470	2 470	2 618	2 775	2 941
Service charges - refuse revenue	1 121	1 209	1 193	1 368	1 349	1 349	1 430	1 516	1 607
Service charges - other									
Rental of facilities and equipment	285	417	306	488	515	515	545	577	496
Interest earned - external investments			660	347	301	301	318	337	358
Interest earned - outstanding debtors	886	1 772	669	3 178	904	904	1 393	1 477	1 565
Dividends received									
Fines	4 901	717	466	4 021	4 512	4 512	4 783	5 070	5 374
Licences and permits	31	26	22	280	184	184	195	207	220
Agency services									
Transfers recognised - operational	22 060	17 316	16 750	21 532	21 532	21 532	23 478	23 161	23 846
Other revenue	1 723	976	1 715	819	486	486	512	543	692
Gains on disposal of PPE			85						
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>45 503</b>	<b>38 443</b>	<b>37 112</b>	<b>51 290</b>	<b>50 985</b>	<b>50 985</b>	<b>56 077</b>	<b>58 485</b>	<b>61 551</b>
<b>Expenditure By Type</b>									
Employee related costs	12 151	15 280	15 587	21 325	20 207	20 207	21 976	23 397	24 895
Remuneration of councillors	1 667	1 803	1 933	2 380	2 619	2 619	2 808	2 998	3 193
Debt impairment	5 983	6 054	4 854	8 749	8 749	8 749	5 221	5 719	5 028
Depreciation & asset impairment	10 047	10 267	10 756	3 291	10 107	10 107	9 586	9 818	9 720
Finance charges		965	878	393	645	645	685	725	765
Bulk purchases	7 691	8 805	9 596	6 898	9 390	9 390	11 051	13 274	16 461
Other materials	2 386	1 900	1 902	1 288	796	796	1 095	1 448	2 113
Contracted services	4 717	480	–	161	161	161	171	181	191
Transfers and grants	412	2 073	660	1 313	1 174	1 174	1 247	1 319	1 391
Other expenditure	11 031	7 088	11 002	9 340	11 132	11 132	13 199	12 760	13 551
<b>Total Expenditure</b>	<b>56 085</b>	<b>54 715</b>	<b>57 167</b>	<b>55 137</b>	<b>64 980</b>	<b>64 980</b>	<b>67 039</b>	<b>71 638</b>	<b>77 308</b>
<b>Surplus/(Deficit)</b>	(10 582)	(16 272)	(20 055)	(3 847)	(13 995)	(13 995)	(10 962)	(13 154)	(15 757)
Transfers recognised - capital	12 489	29 907	12 032	21 088	12 737	12 737	17 257	9 071	9 334
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
<b>Contributed assets</b>									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1 908</b>	<b>13 635</b>	<b>(8 023)</b>	<b>17 241</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 295</b>	<b>(4 083)</b>	<b>(6 423)</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>1 908</b>	<b>13 635</b>	<b>(8 023)</b>	<b>17 241</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 295</b>	<b>(4 083)</b>	<b>(6 423)</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>1 908</b>	<b>13 635</b>	<b>(8 023)</b>	<b>17 241</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 295</b>	<b>(4 083)</b>	<b>(6 423)</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/(Deficit) for the year</b>	<b>1 908</b>	<b>13 635</b>	<b>(8 023)</b>	<b>17 241</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 295</b>	<b>(4 083)</b>	<b>(6 423)</b>

**Table 4: Budgeted Financial Performance (revenue and expenditure) (Table A4)**

**Table 5 – Budgeted Capital Expenditure by vote, standard classification and funding**

**NC076 Thembelihle - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

Vote Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure - Vote Multi-year expenditure to be appropriated</b> Vote 6 - Planning & Development	2 564	10 964	10 442	10 060	7 260	7 260	8 825	9 001	9 264
<b>Capital multi-year expenditure sub-total</b>	<b>2 564</b>	<b>10 964</b>	<b>10 442</b>	<b>10 060</b>	<b>7 260</b>	<b>7 260</b>	<b>8 825</b>	<b>9 001</b>	<b>9 264</b>
<b>Single-year expenditure to be appropriated</b> Vote 1 - Executive and Council	64	6	9	–	–	–	–	–	–
Vote 2 - Budget & Treasury	124	751	115	70	70	70	70	70	70
Vote 3 - Corporate Services	–	74	16	–	–	–	–	–	–
Vote 6 - Planning & Development	22	97	72	8	8	8	–	–	–
Vote 7 - Road Transport	–	–	–	1 000	–	–	–	–	–
Vote 8 - Electricity	2 224	1 061	–	4 470	–	–	–	–	–
Vote 9 - Water	11 908	15 532	383	5 399	5 399	5 399	8 362	–	–
Vote 10 - Water Waste Management	1 739	–	682	–	–	–	–	–	–
Vote 11 - Waste Management	–	–	–	81	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>	<b>16 124</b>	<b>17 521</b>	<b>1 277</b>	<b>11 028</b>	<b>5 477</b>	<b>5 477</b>	<b>8 432</b>	<b>70</b>	<b>70</b>
<b>Total Capital Expenditure – Vote</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>
<b>Capital Expenditure – Standard</b>									
<b>Governance and administration</b>									
Executive and council	188	831	140	70	70	70	70	70	70
Budget and treasury office	64	6	9	–	–	–	–	–	–
Corporate services	124	751	115	70	70	70	70	70	70
<b>Community and public safety</b>									
Community and social services	43	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>									
Planning and development	2 586	11 060	10 515	11 068	7 268	7 268	8 825	9 001	9 264
Road transport	2 586	11 060	10 515	10 068	7 268	7 268	8 825	9 001	9 264
<b>Trading services</b>									
Electricity	15 871	16 593	1 064	9 950	5 399	5 399	8 362	–	–
Water	2 224	1 061	–	4 470	–	–	–	–	–
Waste water management	11 908	15 532	383	5 399	5 399	5 399	8 362	–	–
Waste management	1 739	–	682	–	–	–	–	–	–
<b>Total Capital Expenditure – Standard</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>
<b>Funded by:</b>									
National Government	15 391	28 308	10 931	20 007	12 737	12 737	17 257	9 071	9 334
Provincial Government	2 452		682						
Other transfers and grants	202								
<b>Transfers recognised – capital</b>									
<b>Public contributions &amp; donations</b>									
Borrowing	18 044	28 308	11 612	20 007	12 737	12 737	17 257	9 071	9 334
Internally generated funds	644	177	107	1 081					
<b>Total Capital Funding</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>

Table 5: Budget Capital Expenditure by vote, standard classification and funding (Table A5)

**Table 6 – Budgeted Financial Position**

NC076 Thembelihle - Table A6 Budgeted Financial Position			Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework			
R thousand	Description	2011/12	2012/13	2013/14	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Audited Outcome	Audited Outcome	Audited Outcome							
<b>ASSETS</b>										
<b>Current assets</b>										
Cash	3 066	6 662	8 406	7 912	10 402	10 402	13 362	14 495	12 112	
Call investment deposits	–	–	–	–	–	–	–	–	–	
Consumer debtors	926	1 580	1 330	1 193	1 193	1 193	1 006	1 175	1 001	
Other debtors	1 329	999	2 372	1 306	360	360	402	405	400	
Current portion of long-term receivables		–								
Inventory	182	131	145	50	50	50	50	50	50	
<b>Total current assets</b>	<b>5 503</b>	<b>9 373</b>	<b>12 253</b>	<b>10 461</b>	<b>12 005</b>	<b>12 005</b>	<b>14 820</b>	<b>16 126</b>	<b>13 563</b>	
<b>Non current assets</b>										
Long-term receivables		1 907	941							
Investments										
Investment property	4 773	5 433	5 433	4 773	5 433	5 433	10 433	10 433	10 433	
Investment in Associate										
Property, plant and equipment	185 333	189 016	190 094	210 919	198 435	198 435	211 139	211 052	211 232	
Agricultural										
Biological										
Intangible	15	394	278				158	45		
Other non-current assets										
<b>Total non current assets</b>	<b>190 121</b>	<b>196 749</b>	<b>196 746</b>	<b>215 692</b>	<b>203 868</b>	<b>203 868</b>	<b>221 730</b>	<b>221 530</b>	<b>221 665</b>	
<b>TOTAL ASSETS</b>	<b>195 623</b>	<b>206 122</b>	<b>208 999</b>	<b>226 153</b>	<b>215 873</b>	<b>215 873</b>	<b>236 549</b>	<b>237 655</b>	<b>235 228</b>	
<b>LIABILITIES</b>										
<b>Current liabilities</b>										
Bank overdraft										
Borrowing	66	633	61	80	710	710	710	710	710	
Consumer deposits	422	494	391	299	548	548	487	415	369	
Trade and other payables	15 866	24 154	32 276	23 444	18 813	18 813	42 489	43 462	47 563	
Provisions	1 477	7 573	8 012	7 798	5 078	5 078	8 079	8 418	8 678	
<b>Total current liabilities</b>	<b>17 832</b>	<b>32 853</b>	<b>40 740</b>	<b>31 621</b>	<b>25 149</b>	<b>25 149</b>	<b>51 765</b>	<b>53 005</b>	<b>57 320</b>	
<b>Non current liabilities</b>										
Borrowing	5 668	5 597	621	5 462	4 888	4 888	5 382	5 302	4 875	
Provisions	12 063	6 920	9 885	11 141	11 141	11 141	5 427	5 373	4 635	
<b>Total non current liabilities</b>	<b>17 732</b>	<b>12 517</b>	<b>10 506</b>	<b>16 604</b>	<b>16 029</b>	<b>16 029</b>	<b>10 810</b>	<b>10 676</b>	<b>9 510</b>	
<b>TOTAL LIABILITIES</b>	<b>35 564</b>	<b>45 370</b>	<b>51 246</b>	<b>48 225</b>	<b>41 178</b>	<b>41 178</b>	<b>62 575</b>	<b>63 680</b>	<b>66 831</b>	
<b>NET ASSETS</b>	<b>160 060</b>	<b>160 752</b>	<b>157 753</b>	<b>177 928</b>	<b>174 695</b>	<b>174 695</b>	<b>173 975</b>	<b>173 975</b>	<b>168 398</b>	
<b>COMMUNITY WEALTH/EQUITY</b>										
Accumulated Surplus/(Deficit)	128 437	129 214	126 300	146 267	143 241	143 241	142 575	142 575	136 998	
Reserves	31 623	31 538	31 453	31 661	31 453	31 453	31 400	31 400	31 400	
Minorities' interests										
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>160 060</b>	<b>160 752</b>	<b>157 753</b>	<b>177 928</b>	<b>174 695</b>	<b>174 695</b>	<b>173 975</b>	<b>173 975</b>	<b>168 398</b>	

Table 6 – Budgeted Financial Position(Tabel A6)

**Table 7 – Budgeted Cash Flows**

**NC076 Thembelihle - Table A7 Budgeted Cash Flows**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges	2 268	2 536	1 980	21 066	3 532	3 532	4 009	3 867	3 085
Service charges	13 349	16 377	13 571		18 924	18 924	14 732	16 744	18 940
Other revenue	16 294	3 618	10 168				5 531	5 863	6 209
Government - operating		50 409	21 101	21 602	21 532	21 532	23 478	23 161	23 846
Government - capital	19 457		12 032	21 088	12 737	12 737	17 257	9 071	9 334
Interest	1 010	225	660	1 713	1 206	1 206	1 085	1 297	1 406
Dividends							–	–	–
<b>Payments</b>									
Suppliers and employees	(31 561)	(38 711)	(44 698)	(41 921)	(41 306)	(41 306)	(44 096)	(47 498)	(53 470)
Finance charges	(595)	(216)	(807)	(393)	(645)	(645)	(685)	(725)	(765)
Transfers and Grants	(412)	(2 073)	(660)	(1 313)	(1 174)	(1 174)	(1 247)	(1 319)	(1 391)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>19 811</b>	<b>32 164</b>	<b>13 347</b>	<b>21 842</b>	<b>14 806</b>	<b>14 806</b>	<b>20 064</b>	<b>10 462</b>	<b>7 194</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	4		186				–	–	–
Decrease (Increase) in non-current debtors							–	–	–
Decrease (increase) other non-current receivables							–	–	–
Decrease (increase) in non-current investments							–	–	–
<b>Payments</b>									
Capital assets	(18 688)	(28 502)	(11 719)	(18 370)	(12 100)	(12 100)	(16 394)	(8 618)	(8 868)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(18 684)</b>	<b>(28 502)</b>	<b>(11 533)</b>	<b>(18 370)</b>	<b>(12 100)</b>	<b>(12 100)</b>	<b>(16 394)</b>	<b>(8 618)</b>	<b>(8 868)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans							–	–	–
Borrowing long term/refinancing							–	–	–
Increase (decrease) in consumer deposits				47			–	–	–
<b>Payments</b>									
Repayment of borrowing	(153)	(66)	(70)	(80)	(710)	(710)	(710)	(710)	(710)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(153)</b>	<b>(66)</b>	<b>(70)</b>	<b>(33)</b>	<b>(710)</b>	<b>(710)</b>	<b>(710)</b>	<b>(710)</b>	<b>(710)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>975</b>	<b>3 596</b>	<b>1 744</b>	<b>3 439</b>	<b>1 996</b>	<b>1 996</b>	<b>2 960</b>	<b>1 134</b>	<b>(2 384)</b>
Cash/cash equivalents at the year begin:	2 092	3 066	6 662	4 474	8 406	8 406	10 402	13 362	14 495
Cash/cash equivalents at the year end:	3 066	6 662	8 406	7 912	10 402	10 402	13 362	14 495	12 112

**Table 7: Budgeted cash Flow (Table A7)**

**Table 8 – Cash backed reserves/accumulated surplus reconciliation**

NC076 Thembelihle - Table A8 Cash backed reserves/accumulated surplus reconciliation			Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	2011/12	2012/13	2013/14	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Audited Outcome	Audited Outcome	Audited Outcome						
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	3 066	6 662	8 406	7 912	10 402	10 402	13 362	14 495	12 112
Other current investments > 90 days	(0)	–	0	(0)	0	0	–	–	–
Non current assets - Investments	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>	<b>3 066</b>	<b>6 662</b>	<b>8 406</b>	<b>7 912</b>	<b>10 402</b>	<b>10 402</b>	<b>13 362</b>	<b>14 495</b>	<b>12 112</b>
<b>Application of cash and investments</b>									
Unspent conditional transfers	4 990	7 269	11 620	2 718	637	637	863	453	466
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements									
Other working capital requirements	7 806	12 099	14 569	18 936	16 980	16 980	40 567	41 813	46 037
Other provisions									
Long term investments committed	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	31 623	31 523	31 453	31 661	31 453	31 453	31 400	31 400	31 400
<b>Total Application of cash and investments:</b>	<b>44 419</b>	<b>50 891</b>	<b>57 643</b>	<b>53 315</b>	<b>49 070</b>	<b>49 070</b>	<b>72 830</b>	<b>73 666</b>	<b>77 903</b>
<b>Surplus(shortfall)</b>	<b>(41 353)</b>	<b>(44 229)</b>	<b>(49 237)</b>	<b>(45 403)</b>	<b>(38 668)</b>	<b>(38 668)</b>	<b>(59 468)</b>	<b>(59 171)</b>	<b>(65 791)</b>

Table 8: Cash backed reserves/accumulated surplus reconciliation (Table A8)

**Table 9 – Asset Management**

NC076 Thembelihle - Table A9 Asset Management			Current Year 2014/15				2015/16 Medium Term Revenue & Expenditure Framework		
R thousand	2011/12	2012/13	2013/14	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Audited Outcome	Audited Outcome	Audited Outcome						
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>
Infrastructure - Road transport	2 135	–	–	–	–	–	8 825	9 001	9 264
Infrastructure - Electricity	2 224	1 061	–	4 470	–	–	–	–	–
Infrastructure - Water	11 908	26 495	10 825	15 459	12 659	12 659	8 362	–	–
Infrastructure - Sanitation	1 739	–	682	–	–	–	–	–	–
Infrastructure - Other	570	–	–	–	–	–	–	–	–
Infrastructure	18 576	27 556	11 507	19 929	12 659	12 659	17 187	9 001	9 264
Community	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	108	549	190	959	78	78	70	70	70
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	4	379	23	200	–	–	–	–	–
<b>Total Capital Expenditure</b>									
Infrastructure - Road transport	2 135	–	–	–	–	–	8 825	9 001	9 264
Infrastructure - Electricity	2 224	1 061	–	4 470	–	–	–	–	–
Infrastructure - Water	11 908	26 495	10 825	15 459	12 659	12 659	8 362	–	–
Infrastructure - Sanitation	1 739	–	682	–	–	–	–	–	–
Infrastructure - Other	570	–	–	–	–	–	–	–	–
Infrastructure	18 576	27 556	11 507	19 929	12 659	12 659	17 187	9 001	9 264
Community	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	108	549	190	959	78	78	70	70	70
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	4	379	23	200	–	–	–	–	–
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>

ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	54 139	51 073	48 203	48 203	42 335	42 335	48 457	54 319	60 431
Infrastructure - Electricity	8 033	67 736	25 986	25 986	5 513	5 513	2 800	152	
Infrastructure - Water	36 012	33 185	82 330	82 330	91 634	91 634	98 465	97 358	94 620
Infrastructure - Sanitation	27 095	25 536	35 719	35 719	19 512	19 512	18 638	17 798	16 998
Infrastructure - Other	5 828	5 215	7 023	7 023	662	662	662	662	
Infrastructure	131 107	182 746	199 261	199 261	159 656	159 656	169 022	170 289	172 049
Community	4 185	3 961	3 449	3 449	2 940		2 490	2 055	1 562
Heritage assets									
Investment properties	4 773	5 433	5 433	4 773	5 433	5 433	10 433	10 433	10 433
Other assets	50 041	14 365	3 435	3 435	30 128		29 195	28 276	27 188
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	15	394	278	-	-	-	158	45	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>190 121</b>	<b>206 898</b>	<b>211 857</b>	<b>210 919</b>	<b>198 157</b>	<b>165 089</b>	<b>211 297</b>	<b>211 097</b>	<b>211 232</b>
<b>EXPENDITURE OTHER ITEMS</b>									
<u>Depreciation &amp; asset impairment</u>	10 047	10 267	10 756	3 291	10 107	10 107	9 586	9 818	9 720
<u>Repairs and Maintenance by Asset Class</u>	2 386	1 900	1 902	1 288	796	796	1 095	1 448	2 113
Infrastructure - Road transport	21	-	3	12	10	10	11	11	12
Infrastructure - Electricity	219	211	266	180	46	46	131	139	146
Infrastructure - Water	467	353	486	116	0	0	98	195	390
Infrastructure - Sanitation	150	33	55	7	70	70	8	8	9
Infrastructure - Other	966	-	-	270	124	124	-	-	-
Infrastructure	1 823	597	810	585	250	250	247	353	556
Community	11	8	11	5	15	15	16	17	18
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	552	1 295	1 081	698	532	532	832	1 078	1 539
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>12 434</b>	<b>12 167</b>	<b>12 658</b>	<b>4 579</b>	<b>10 903</b>	<b>10 903</b>	<b>10 681</b>	<b>11 266</b>	<b>11 833</b>
<i>Renewal of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal of Existing Assets as % of deprecn"</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&amp;M as a % of PPE</i>	1.3%	1.0%	1.0%	0.6%	0.4%	0.4%	0.5%	0.7%	1.0%
<i>Renewal and R&amp;M as a % of PPE</i>	1.0%	1.0%	1.0%	1.0%	0.0%	0.0%	1.0%	1.0%	1.0%

Table 9: Asset Management (Table A9)

**Table 10 – Basic service delivery measurement**

NC076 Thembelihle - Table A10 Basic service delivery measurement			Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
Description	2011/12	2012/13	2013/14	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	Outcome	Outcome	Outcome						
<b>Household service targets</b>									
<b>Water:</b>									
Piped water inside dwelling	1 946	1 946	1 946	2560	2560	2560	2560	2560	2560
Piped water inside yard (but not in dwelling)	455	455	455						
Using public tap (at least min.service level)	200	200	200	1501	1501	1501	1501	1501	1501
Other water supply (at least min.service level)									
<i>Minimum Service Level and Above sub-total</i>	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
Using public tap (< min.service level)									
Other water supply (< min.service level)									
No water supply									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
<b>Sanitation/sewage:</b>									
Flush toilet (connected to sewerage)	1 761	1 761	1 761	2229	2229	2229	2229	2229	2229
Flush toilet (with septic tank)	161	161	161						
Chemical toilet									
Pit toilet (ventilated)	679	679	679	731	731	731	731	731	731
Other toilet provisions (> min.service level)									
<i>Minimum Service Level and Above sub-total</i>	2 601	2 601	2 601	2 960	2 960	2 960	2 960	2 960	2 960
Bucket toilet									
Other toilet provisions (< min.service level)									
No toilet provisions				1101	1101	1101	1101	1101	1101
<i>Below Minimum Service Level sub-total</i>	-	-	-	1 101	1 101	1 101	1 101	1 101	1 101
<b>Total number of households</b>	2 601	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
<b>Energy:</b>									
Electricity (at least min.service level)		683	683	740	740	740	740	740	740
Electricity - prepaid (min.service level)	43	43	1820	1820	1820	1820	1820	1820	1820
<i>Minimum Service Level and Above sub-total</i>	-	726	726	2 560	2 560	2 560	2 560	2 560	2 560
Electricity (< min.service level)									
Electricity - prepaid (< min. service level)									
Other energy sources		1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875
<i>Below Minimum Service Level sub-total</i>	-	1 875	1 875	1 875	1 875	1 875	1 875	1 875	1 875
<b>Total number of households</b>	-	2 601	2 601	4 435	4 435	4 435	4 435	4 435	4 435
<b>Refuse:</b>									
Removed at least once a week		2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
<i>Minimum Service Level and Above sub-total</i>	-	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061
Removed less frequently than once a week									
Using communal refuse dump									
Using own refuse dump									
Other rubbish disposal									
No rubbish disposal									
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	-	2 601	2 601	4 061	4 061	4 061	4 061	4 061	4 061

<b>Households receiving Free Basic Service</b>		620	2 601	2560	2560	2560	2560	2560	2560
Water (6 kilolitres per household per month)		620	780	385	385	385	385	385	385
Sanitation (free minimum level service)		620	780	385	385	385	385	385	385
Electricity/other energy (50kwh per household per month)		620	780	385	385	385	385	385	385
Refuse (removed at least once a week)		620	780	385	385	385	385	385	385
<b>Cost of Free Basic Services provided (R'000)</b>		2	10	33	33	33	33	33	33
Water (6 kilolitres per household per month)		14	17	34	34	34	34	34	34
Sanitation (free sanitation service)		19	24	72	72	72	72	72	72
Electricity/other energy (50kwh per household per month)		8	11	23	23	23	23	23	23
<b>Total cost of FBS provided (minimum social package)</b>	-	<b>44</b>	<b>63</b>	<b>162</b>	<b>162</b>	<b>162</b>	<b>162</b>	<b>162</b>	<b>162</b>
<b>Highest level of free service provided</b>		15 000	15 000	15000	15000	15000	15000	15000	15000
Property rates (R value threshold)		6	6	6	6	6	6	6	6
Water (kilolitres per household per month)				0	0	0	0	0	0
Sanitation (kilolitres per household per month)									
Electricity (Rand per household per month)		22	22						
Refuse (average litres per week)		50	50	50	50	50	50	50	50
		200	200	200	200	200	200	200	200
<b>Revenue cost of free services provided (R'000)</b>				324	324	324	340	340	340
Property rates (R15 000 threshold rebate)									
Property rates (other exemptions, reductions and rebates)		72	88	88	88	88	92	92	92
Water		30	30	33	33	33	33	33	33
Sanitation		14	17	34	34	34	34	34	34
Electricity/other energy		13	19	72	72	72	72	72	72
Refuse		8	11	23	23	23	23	23	23
Municipal Housing - rental rebates									
Housing - top structure subsidies									
Other									
<b>Total revenue cost of free services provided (total social package)</b>	-	<b>137</b>	<b>164</b>	<b>574</b>	<b>574</b>	<b>574</b>	<b>594</b>	<b>594</b>	<b>594</b>

Table 10: Basic service delivery measurement (Table A10)

**a. Budget Process Overview (including consultation process and outcomes)**

In terms of Section 24 of the MFMA, Council must at least 30 days before the start of the financial year consider approval of the annual budget. Section 53, requires the mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that the mayor of the municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.

**1. BACKGROUND**

The Municipal System Act (Act 32 of 2000) and the Municipal Finance Management Act (Act 56 of 2003) require all municipalities to adopt a process plan for the integrated development plan and budget that will harness the development process. It is within this context that this first process plan of the newly constituted council was drafted to particularly enable the municipality to meet the requirements spelled-out in section 27 (2) of the Municipal Systems Act (Act 32 of 2000). The next sub-sections highlight the legislative frameworks to be complied with.

The process plan focusing on the IDP, PMS and Budget for 2015-2016 was tabled by the Mayor to Council during a Special Council meeting August 2014, in terms of MFMA section 21 (1) (b).

**1.1    *Municipal Systems Act***

In terms of the Municipal System Act of 2000, all municipalities have to undertake an IDP process to produce the IDP. The Act further mandates municipalities to have a Performance Management System in place. These planning tools together with other planning instruments i.e. a municipal budget are designed to assist Municipalities to be developmentally oriented and to contribute meaningfully in improving the lives of their communities. As the aforementioned plans are the legislative requirements they have legal status and supersede all other plans that guide development at local government level.

Thembelihle Municipality has completed its 5 year IDP cycle. This was done in terms of chapter 5 and 6, of the Municipal System Act and of the Municipal Finance Management Act of 2003. In terms of Section 34 of the Municipal Systems Act:

Thembelihle Municipality is currently embarking on the IDP, which will reflect the new planning. This plan will address, amongst others, the following:

- (a) Comments received from various role-players in the IDP process, especially the community, the IDP Representative Forum the IDP Hearings and the Engagement sessions;
- (b) Areas requiring additional attention in terms of legislation requirements;
- (c) Areas identified through self-assessment;
- (d) The review of KPI's (PMS) and alignment of budget;
- (e) The update of the 5 years financial plan as well as the list of projects;
- (f) Identification of new projects,

- (g) The continuation of the Sector Plans to be completed
- (h) Implementation of existing projects
- (i) The update of the Spatial Development Framework (SDF); and
- (j) The preparation and update to the Sector Plans.

**1.2 *Municipal Finance Management Act***

Chapter 4, section 16 (1) and (2) of the Municipal Finance Management Act states that-

- 1) *The Council of the municipality must of each financial year approve an annual budget for the municipality before the start of the financial year.*
- 2) *In order for the municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at the council meeting at least 90 days before the start of the budget year.*

The above section must be read in conjunction with section 24 (1) which states that

Council must at least 30 days before the start of the new financial year approve the annual budget. It is clear that this Act provides very strict time frames within the budget process must be completed.

Adding to the above the Act states in section 21 (1) (b) that-

The Mayor of a Municipal must-

- (a) At least 10 months before the starts of the budget year, table in the municipal council a time schedule outlining key deadlines for-
  - (b) The preparation, tabling and approval of the annual budget;
  - (ii) the annual review of-
    - (aa) the integrated development plan in terms of section 34 of the municipal Systems Act and
    - (bb) the budget related policies;
  - (iii) the tabling and adoption of any amendments to the integrated development plan and the budget-related policies; and
  - (iv) Any consultative processed forming part of the referred to in subparagraphs (i), (ii) and (iii).

Considering this, it implies that the Mayor must table the budget process before Council, 10 months before the start of the new financial year.

**ALIGNMENT PROCESS**

The Municipal Systems Act states that development strategies must be aligned with National and Provincial sector plans as well as planning requirements. It also establishes that a single inclusive and strategic plan must be adopted which links, integrates and coordinates plans.

The municipality realized early into the first round of IDPs that good effective alignment would result in successful implementation whilst a failure to align might result in a total collapse of the implementation of the IDP. The municipality tries to ensure alignment with the assistance of the PIMS-Centre, located at the Pixley ka Seme District Municipality and the involvement of the sector departments in the IDP Representative Forum.

Although alignment was not always reached fully in the previous IDP cycle the municipality takes the following documents into account in the IDP process:

- Integrated Sustainable Rural Development Programme (ISRDP)
- Northern Cape Provincial Growth and Development Strategy (PGDS)
- District Growth and Development ( DGDS)
- National Spatial Development Programme (NSDP)
- IDP Hearings Comments

Besides the alignment with National, Provincial and district programmes and policies, internal alignment is also reached in the process plan, aligning the budget, the PMS and the IDP.

## **2. PROCESS PLAN**

As with the previous years, there is a need for the preparation and adoption of a process plan as emphasized in paragraph 1.2 above. This plan is also aligned with the District Process and Framework Plan to provide the linkage and binding relationships between the district and local municipality in the region.

## **3. ORGANISATIONAL ARRANGEMENT**

Council	<ul style="list-style-type: none"> <li>• Political oversight over the IDP</li> </ul>
IDP Steering Committee	<ul style="list-style-type: none"> <li>• Responsible for assisting the Council in its oversight role.</li> <li>• Assumes the role of the political champion of the process (this is particularly important and critical as it allows for the Councilors to take ownership of the IDP process).</li> <li>• Forms the link between Council, management and the representatives forum</li> </ul>
Municipal Manager	<ul style="list-style-type: none"> <li>• Overall responsibility for the IDP</li> </ul>
IDP Co-ordinator	<ul style="list-style-type: none"> <li>• Responsible for managing the IDP process through</li> <li>• Facilitation of the IDP process,</li> <li>• Coordinating IDP related activities including capacity building programmes,</li> <li>• Facilitating reporting and the documentation thereof,</li> <li>• Making recommendations to the IDP Steering Committee</li> <li>• Liaising with the PIMS Centre and Provincial Sector Departments,</li> <li>• Providing secretariat functions for the IDP Steering Committee and the Representative Forum</li> </ul>
The Financial Manager	<p>Ensures that the municipal budget is linked to the IDP. Responsible for:</p> <ul style="list-style-type: none"> <li>• Co-ordinating the budget implementation in a manner aim at addressing the issues raised in the IDP,</li> <li>• Development of the 3 year integrated financial plan</li> </ul>
IDP Steering Committee	<p>The technical working team, also the "driver of the bus" consist of 11 members of whom 3 are departmental managers , 1 Municipal Manager, 7 Councilors</p> <ul style="list-style-type: none"> <li>• This committee meets monthly, chaired by Mayor</li> </ul>

	<ul style="list-style-type: none"> <li>• It is responsible for IDP process, resources and outputs,</li> <li>• It oversees the monthly status reports that are received from departments,</li> <li>• It makes recommendations to Council,</li> <li>• It oversees the meetings of the IDP Representative Forum,</li> <li>• The committee is responsible for the process of integration and alignment.</li> </ul>
IDP Representative Forum	<p>Representatives from local organisational and communities.</p> <p>It forms the interface for community participation in the affairs of the council.</p> <p>Operates on consensus basis in the determination of priority issues for the municipal area,</p> <p>Participates in the annual IDP review process,</p> <p>Meets quarterly to discuss progress and shortcomings,</p> <p>All the wards within the municipal area are represented on this forum through the Ward Committee members.</p>
PIMS Centre	<p>Situated at the Pixley ka Seme District Municipality.</p> <ul style="list-style-type: none"> <li>• The centre plays a supporting role to the local municipality,</li> <li>• It contributes to the IDP process by facilitating activities and process, especially during difficult times,</li> <li>• Facilitates the process of alignment amongst the municipalities in the district and the various other sector departments.</li> </ul>
Budget Steering Committee	<p>The budget steering committee (BSC) is responsible for the budget process</p> <p>The composition of the BSC is as follows:</p> <ul style="list-style-type: none"> <li>• Mayor (Chairperson)</li> <li>• Municipal Manager</li> <li>• Chief Financial Officer</li> <li>• Manager responsible for IDP</li> <li>• Other managers will be co-opted, when necessary. Councilors may attend any meetings of BSC and will be co-opted, when necessary, to smoothen the process.</li> </ul> <p>2.2 Other stakeholders to be consulted:</p> <ul style="list-style-type: none"> <li>• Ward Committees and Ward communities</li> <li>• Local Economic Steering forum</li> <li>• Local Farmers / Emerging Farmers Committee</li> <li>• IDP Rep Forum</li> </ul>

Table 11: Organizational Structure

#### **4. ACTION PROGRAMME WITH TIME FRAME AND RESOURCE REQUIREMENTS**

As mentioned earlier, the new legislation and processes like the Municipal Finance Management Act, budget process and PMS compels municipalities to align the planning process (IDP) with all these other processes. Adding to this, it is sometimes a difficult task to align projects of the IDP with Provincial and National Departments as well as aligning timeframes with the District Municipality. All of this did take place in the previous IDP processes, but it is recognized that room for improvement does exist. The Municipality will increase its efforts to try and consider that various Provincial and National Department's efforts in the IDP and also try to improve the process of budget allocations to the Local Municipalities.

The table below illustrates the various phases of the planning process, linking it with the budget process and PMS process in order to accomplish proper alignment. This is also the schedule for the budget and IDP process stipulated in Section 21 of the MFMA.

#### **SCHEDULES FOR THE IDP, PMS AND BUDGET PROCESS FOR THE 2015/2016 FINANCIAL YEAR**

To note that this is a guideline for implementation of IDP and Budget process, the dates will be allocated later.

TIME	BUDGET PROCES	IDP PROGRAMME	PMS – PROCESS
July 2014	<ul style="list-style-type: none"> <li>• Submit Draft SDBIP within 14 days after approval of the budget</li> <li>• Submit quarterly report to Council on Budget implementation and the financial affairs of the municipality</li> <li>• Approval of SDBIP – within 28 days after budget approval</li> </ul>		
August 2014	<ul style="list-style-type: none"> <li>• Table the planning and budget schedule and draft policies to Council</li> <li>• Submission of financial statements (13/14) to Councilors</li> <li>• Establishment of budget office and BCSC (budget coordinating committee)</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor tables the process plan to Council on 31 August 2014</li> </ul>	<ul style="list-style-type: none"> <li>• Receive monthly performance datasheets for departmental and Section 57 performance</li> <li>• Monitor SDBIP</li> <li>• Start compiling reports on Annual performance of 2013/14</li> </ul>
September 2014	<ul style="list-style-type: none"> <li>• Submit Financial statements to Auditor General and MEC</li> <li>• Submit Financial statements (July and Aug) to Mayor Review of budget process ( Budget Evaluation Checklist) for 3 years</li> <li>• Proposals for tariffs (rates and taxes). Allocations and policies</li> <li>• Engages with NT an PT on allocations and specific programmes</li> <li>• Advertise public hearings</li> </ul>	<ul style="list-style-type: none"> <li>• Reconsider strategies and objectives accordingly</li> <li>• IDP Workshop initiating and kick – starting the IDP review process</li> <li>• Start with the review of the IDP</li> <li>• Analyse Integrated Sector Programmes like Environmental programmes, Waste Management programmes, Provincial and District G &amp; DS, comments from Province etc.</li> <li>• IDP Steering committee meeting</li> </ul>	<ul style="list-style-type: none"> <li>• PMS Coordinating Committee meeting interacting on 2013-2014 annual reports</li> <li>• Receive monthly performance datasheets for departmental and Section 57 performance Annual performance contracts for section 57 Employees</li> <li>• Monitor SDBIP</li> <li>• Advertise public hearings</li> </ul>

		<ul style="list-style-type: none"> <li>• Advertise public hearings</li> </ul>	
October 2014	<ul style="list-style-type: none"> <li>• Budget workshops for 2015/2016 and 3 years budget Agenda:</li> <li>• Planning</li> <li>• Inputs and managers according to A B C system (MFMA's 35,36,42)</li> <li>• Budget workshops for managers and supervisors</li> <li>• Financial statements (September) submitted to Mayor</li> <li>• Budget implementation (July - Sept) Mayor and Council</li> <li>• Submit feedback of budget implementation (June - Sept) to council</li> <li>• Feedback on progress up to date (Budget implementation)</li> <li>• Expectations for rest of 2014-15 year</li> </ul>	<ul style="list-style-type: none"> <li>• IDP Road show identifying community needs to inform budget (visiting all wards)</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor table annual PMS report to council</li> <li>• Receive monthly performance datasheets for departmental and Section 57 performance</li> <li>• 1<sup>st</sup> Quarterly report on budget implementation</li> <li>• 1<sup>st</sup> Quarterly evaluation of Sec 57 employees</li> <li>• 1<sup>st</sup> Quarterly evaluation on organisational PMS</li> <li>• Public hearing on Annual Report jointly with IDP budget roadshow (visiting all wards)</li> </ul>
November 2014	<ul style="list-style-type: none"> <li>• Preparation and consolidating of draft budget for 15-16</li> <li>• Financial statements (October) submitted to Mayor</li> <li>• Draft budget submitted to BSC</li> <li>• Review with managers</li> <li>• Finalize rate and taxes 2015/16</li> <li>• Rates and taxes submitted to Council</li> <li>• Receive audit report from AG</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Continue with IDP road show identifying community needs to inform budget (visiting all wards)</i></li> <li>• <i>Inputs from Departments</i></li> <li>• <i>Identify new and appropriate projects</i></li> <li>• <i>Amend existing project designs</i></li> <li>• <i>Continue with integrated programmes</i></li> <li>• <i>Presentation of project by HOD's</i></li> <li>• <i>Prioritise identified projects and start with documentation of draft IDP for 2014/15</i></li> <li>• <i>IDP Representative meeting</i></li> <li>• <i>Report to Council on project implementation IDP</i></li> <li>• <i>IDP Steering Committee meeting</i></li> </ul>	<ul style="list-style-type: none"> <li>• Continue Public hearing on Annual Report jointly with IDP budget road show (visiting all wards)</li> <li>• Receive monthly performance datasheets for departmental and Section 57 performance</li> <li>• Monitor SDBIP</li> <li>• PMS Coordinating meeting to interact on 1<sup>st</sup> quarter reports</li> <li>• Submit 1<sup>st</sup> Quarter reports to Council</li> </ul>
December 2014	<ul style="list-style-type: none"> <li>• Council approves rates and taxes 15-16 (MSA)s 74-75</li> <li>• Monthly financial statements (November) submitted to Mayor</li> </ul>	<ul style="list-style-type: none"> <li>• Continue with integrated programmes and finalize integrated programmes</li> <li>• Amend IDP documentation accordingly</li> </ul>	<ul style="list-style-type: none"> <li>• Receive monthly performance datasheets for departmental and Section 557 performance</li> <li>• Monitor SDBIP</li> </ul>

January 2015	<ul style="list-style-type: none"> <li>• Financial statements (December)</li> <li>• Submitted to MAYOR</li> <li>• Budget implementation (October – December ) to Mayor</li> <li>• Budget 14-15 as on 31 December submitted to BSC for midyear reviewing</li> <li>• Reviewing 14-15 budget</li> <li>• Corrective measures as part of oversight report for the previous</li> <li>• Years audited financial statements and annual report</li> <li>• Allocations from NT and PT</li> </ul>	<ul style="list-style-type: none"> <li>• Submission of Project lists to Pixley ka Seme District Municipality not later than 31 January 2015</li> </ul>	<ul style="list-style-type: none"> <li>• Submit Annual PMS Report to Auditor General and to Province and National after approval from Council</li> <li>• Receive monthly performance datasheets for departmental and Section 57 performance</li> <li>• Mid-year Budget and performance Assessment Report</li> <li>• 2 nd Quarterly Report on budget implementation</li> <li>• 2<sup>nd</sup> Quarterly evaluation of Section 57 employees</li> </ul>
			<ul style="list-style-type: none"> <li>• 2<sup>nd</sup> Quarterly evaluation on organisational PMS</li> <li>• Review SDBIP inline with mid-year budget review</li> </ul>
February 2015	<ul style="list-style-type: none"> <li>• Financial Statements (January) submitted to Mayor</li> <li>• Workshop on draft budget 15-16 to Councilors and management</li> <li>• Information from PKSDM for 14/15 budget</li> <li>• Consultation with NT and PT</li> <li>• Council approve revised budget 14/15</li> <li>• Draft budget (15/16) tabled in Council and IDP</li> <li>• Draft budget (15/16) submitted to NT and PT (MFMA's 22) and IDP</li> <li>• S72 PT Engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Report to council on project implementation for IDP</li> <li>• Produce first draft IDP for 2015/16</li> <li>• Mayor tables draft IDP together with budget IDP Steering Committee meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Receive monthly performance datasheets for departmental and Section 57 performance Produce first draft balance scorecard</li> <li>• Monitor SDBIP</li> <li>• PMS Coordinating committee to interact on mid-year evaluation reports</li> <li>• Table first draft on SDBIP with IDP and budget</li> </ul>
March 2015	<ul style="list-style-type: none"> <li>• Notification of draft budget &amp; IDP to all stakeholders</li> <li>Financial Statements (February) submitted to Mayor</li> <li>Price structures review for bulk services form authorities last day</li> <li>Notification of draft budget &amp; IDP to all stakeholders (MFMA) Financial Statements (February) submitted to Mayor</li> </ul>	<ul style="list-style-type: none"> <li>• Interaction with sector department to integrate funding</li> </ul>	<ul style="list-style-type: none"> <li>• Receive monthly performance datasheets for departmental and Section 57 performance</li> <li>• Finalise Departmental Programmes</li> <li>• Monitor SDBIP</li> </ul>
April 2015	<ul style="list-style-type: none"> <li>• Consultations with NT&amp;PT for finalizing grants</li> <li>• Financial statements (March 2015) to Mayor</li> <li>• Budget implementation (Jan-March) to Mayor and to Council</li> </ul>	<ul style="list-style-type: none"> <li>• MM publish IDP and related doc. for comments in local papers</li> <li>• Conduct public hearings on IDP</li> <li>• Finalize inputs from</li> </ul>	<ul style="list-style-type: none"> <li>• Review monthly performance datasheets for departmental and Section 57 performance</li> <li>• 3rd Quarterly Report on budget</li> </ul>

	<ul style="list-style-type: none"> <li>Finalizing draft budget 15-16 and Draft IDP</li> <li>MM publish draft budget and related documents for comments</li> <li>Conduct public hearings on budget</li> <li>Budget send to Provincial and National Treasury</li> <li>Draft system of delegations</li> <li>PT Budget Benchmark Engagement</li> </ul>	<ul style="list-style-type: none"> <li>sector Departments</li> <li>Consult Rep Forums</li> <li>Report to Council on project implementation IDP</li> </ul>	<ul style="list-style-type: none"> <li>implementation</li> <li>3rd Quarterly evaluation of Sec 57 employees</li> <li>3rd Quarterly evaluation on organizational PMS</li> </ul>
May 2015	<ul style="list-style-type: none"> <li>Consider inputs and comments received</li> <li>Amend budget accordingly</li> <li>Mayor table 2015/16 Budget and IDP for adoption not later than 31 May 2015</li> <li>Financial Statements (April 2015) to Mayor</li> </ul>	<ul style="list-style-type: none"> <li>Consider inputs and comments received</li> <li>Amend document accordingly</li> <li>Mayor tables 2015/16 IDP for adoption together with budget (not later than 31 May 2015)</li> </ul>	<ul style="list-style-type: none"> <li>Receive monthly performance datasheets for departmental and Section 57 performance</li> <li>Monitor SDBIP</li> <li>PMS Coordinating Committee to interact on 3<sup>rd</sup> quarter reports</li> </ul>
June 2015	<ul style="list-style-type: none"> <li>Approved budget send to Provincial and National Treasury</li> <li>Publication of approved budget and IDP</li> <li>Financial statements (May 2015) to Mayor Financial year (14-15) ends</li> </ul>	<ul style="list-style-type: none"> <li>IDP send to MEC within 10 days after adoption by Council</li> <li>MM place notice that the Council has adopted its reviewed IDP</li> <li>Report to Council on project implementation for IDP</li> </ul>	<ul style="list-style-type: none"> <li>Table SDBIP's and section 57 performance agreements 14 days after approval of budget to Mayor</li> <li>Advertise SDBIP and Section 57 performance agreements for inputs from community</li> <li>Mayor approves Draft SDBIP 2015/16 by 28 June 2015</li> <li>Signing of Section 57 Contracts</li> <li>Receive monthly performance datasheets for departmental and Section 57 performance</li> <li>Review organizational PMS indicators and set targets for 2015/16</li> </ul>
July 2015	<ul style="list-style-type: none"> <li>Plan annual report 2014/15</li> <li>Financial Statements (June 2015) to Mayor</li> </ul>		<ul style="list-style-type: none"> <li>4<sup>th</sup> Quarterly report on budget implementation</li> <li>Annual PMS evaluation</li> <li>Annual evaluation of SDBIP</li> </ul>

Table 12: IDP and Budget Time Schedule

## **7. OVERVIEW OF ALIGNMENT OF ANNUAL BUDGET WITH INTEGRATED DEVELOPMENT PLAN**

---

### **a. The Vision of the Municipality**

The Municipality's long term vision:

- ❖ “We as Thembelihle Municipality, commit ourselves to a better life for all through sound economic growth, provision of basic infrastructure, disciplined social welfare, a sound and participative institutional management system, as we stand united.”

The Municipality's Mission:

- To improve the lives of citizens of Thembelihle Municipal area through:
- Quality Service Delivery
- Have a two way approach to communication and service
- Ensuring a safe and enabling environment for economic growth
- Ensuring integrated sustainable human settlements
- Ensuring equal opportunities

### **b. The IDP and Strategic Focus Areas**

The IDP was reviewed and outlines the intent of the Municipality in terms of the eight strategic focus areas, which it has agreed are required to overcome the challenges it is facing, achieve its vision, and implement its other strategic considerations.

These eight strategic focus areas from the framework of the IDP and function as internal strategic levers to facilitate shared growth and development and enhance urban efficiency and institutional effectiveness.

The way in which the Municipality's vision is supported by the eight strategic focus areas is shown in the figure below:

#### **VISIONARY GOALS:**

- a) A prosperous Municipality
- b) Effective and equitable service delivery
- c) A well-governed and efficiently run administration

#### **STRATEGIC FOCUS AREAS:**

- 1) Shared economic growth and development
- 2) Sustainable urban infrastructure and services
- 3) Energy efficiency for a sustainable future
- 4) Public transport systems
- 5) Integrated human settlements
- 6) Safety and security
- 7) Health, social and community development
- 8) Good governance and regulatory reform, urban efficiency, institutional, effectiveness

The draft Integrated Development Plan is attached as Annexure 12.

### **c. The Intergovernmental Development Agenda for Thembelihle Municipality**

The Municipality engages with the Provincial and National Government in a structured and functional manner. At a technical and administrative level, engagements take place at sectoral (functional) level. This is

aimed at ensuring the Municipality derives meaningful benefit through such interaction by ensuring the better planning, coordination and accountability are achieved, that the Municipality's strategic objectives of infrastructure investment for economic growth, service delivery excellence and constitutional efficiently are enhanced, and resources better and efficiently utilized. In short, it is aimed at ensuring the Municipality extracts value and benefit for its participation in intergovernmental and international cooperative relations.

**a. Key financial indicators and ratios**

NC076 Thembelihle - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Borrowing Management</b>										
Credit Rating										
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.3%	1.9%	1.7%	0.9%	2.1%	2.1%	2.1%	2.0%	1.9%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.7%	4.9%	4.7%	1.6%	4.6%	4.6%	4.3%	4.1%	3.9%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>										
Gearing	Long Term Borrowing/ Funds & Reserves	17.9%	17.7%	2.0%	17.3%	15.5%	15.5%	17.1%	16.9%	15.5%
<b>Liquidity</b>										
Current Ratio	Current assets/current liabilities	0.3	0.3	0.3	0.3	0.5	0.5	0.3	0.3	0.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.3	0.3	0.3	0.3	0.5	0.5	0.3	0.3	0.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.2	0.2	0.3	0.4	0.4	0.3	0.3	0.2
<b>Revenue Management</b>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		136.1%	106.6%	131.1%	71.6%	77.0%	77.0%	75.2%	75.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		136.1%	106.6%	131.1%	71.6%	77.0%	77.0%	75.2%	75.7%	75.6%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	5.0%	11.7%	12.5%	4.9%	3.0%	3.0%	2.5%	2.7%	2.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		5.0%	6.8%						
<b>Creditors Management</b>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))				2.0%	2.0%	2.0%	3.0%	4.0%	5.0%

Creditors to Cash and Investments		354.7%	253.4%	245.7%	262.0%	174.7%	174.7%	311.5%	296.7%	388.9%
<b><u>Other Indicators</u></b>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)		37.20%	42%		25%	25%			
	Total Cost of Losses (Rand '000)		5 192	6 595						
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Water Distribution Losses (2)	Total Volume Losses (kℓ)									
	Total Cost of Losses (Rand '000)		4493	4246						
	% Volume (units purchased and generated less units sold)/units purchased and generated									
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.7%	39.7%	42.0%	41.6%	39.6%	39.6%	39.2%	40.0%	40.4%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	30.4%	44.4%	47.2%	46.2%	44.8%	44.8%	44.2%	45.1%	45.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	5.2%	4.9%	5.1%	2.5%	1.6%	1.6%	2.0%	2.5%	3.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.1%	29.2%	31.3%	7.2%	21.1%	21.1%	18.3%	18.0%	17.0%
<b><u>IDP regulation financial viability indicators</u></b>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	80.5	29.0	11.4	15.5	15.5	15.5	16.2	16.7	17.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	14.2%	14.6%	22.1%	11.8%	6.7%	6.7%	5.5%	5.7%	4.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.0	2.1	2.6	2.1	2.7	2.7	3.3	3.3	2.5

Table 13: Performance indicators (Supporting Table SA8)

## **b. Measurable performance objectives and indicators**

The Municipality's visionary framework is unpacked into objectives, Key Performance Indicators (KPIs) and targets for implementation. These are then broken up into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects, which are then allocated a budget. This concept also includes the Municipality's performance management system, as the KPIs that are contained in the SDBIPs are monitored and reported on quarterly.

The Municipality's measurable performance objectives as reflected in support, SDBIP are attached as an annexure.

## **9 OVERVIEW OF BUDGET-RELATED POLICIES**

---

### **Revenue Framework**

Section 18 of the MFMA states that the budget can only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

In addition, NT Circular 74 stipulates that the budget is to be managed in a full accrual manner, reflecting a transparent budget and accounting system approach.

The MFMA requires the municipality to adopt and implement a tariff policy. Council has approved such policies for all major tariff-funded services provided by the municipality, which are attached as annexure to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (CHAPTER 4, S17 (1) (a) & (3) (b)).

### **1. Revenue related policies**

#### **General Tariff Policy**

The Municipal System Act requires Council to adopt a tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy.

#### **Credit Control and Debt Collection Policy**

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 200 and the Credit Control and Debt Collection By-LAW.

### **2. Budget related policies**

The following budget related policies have been approved by Council, or have been reviewed / amended and / or are currently being reviewed / amended, in line with National Guidelines and Legislation.

## **Supply Chain Management Policy**

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act.

## **Property Rates Policy**

The Rates Policy has been draft and submitted to council on 31 March 2015.

## **Cash Management and Investment Policy**

The Municipality's Investment Policy, which deals with the management of the Municipality's surplus cash and capital resources and the investment thereof, was submitted to council on 31 March 2015. The policy also cover partially related long-term financial planning, and dealing with infrastructure investment and capital projects.

## **Borrowing, & Cash Backed and Funds Reserve Policy**

The municipality is a low capacity municipality and as a result Borrowing Funds Reserve Policies have not been implemented. All the policies required is not feesable to establish because the policies are not used by the municipality

POLICIES	APPROVED	DRAFT SUBMITTED
Supply Chain Management	13 June 2014	31 March 2015
Rates	13 June 2014	31 March 2015
Tariff	13 June 2014	31 March 2015
Credit & Debt Control	13 June 2014	31 March 2015
Cash Management & Investment	13 June 2014	31 March 2015

**Figure1: Policies amendments**

## **10. OVERVIEW OF BUDGET ASSUMPTIONS**

The MTREF model, which enables economic forecasts and the eventual medium term fiscal framework, was compiled under harsh external economic conditions. Budgetary constraints and economic challenges meant that the Municipality had to apply a combination of cost-saving interventions and higher than headline CPI revenue increases to ensure an affordable, credible and sustainable budget over the 2015/2016 MTREF.

The biggest challenge this year more so than previous years, is that the Municipality needs to do more within its existing resource envelope. This was reiterated in the NT Budget Circular 74 for the 2015/2016 MTREF.

The Municipality faced the following challenges in preparing the 2015/2016 MTREF:

1. Lower than planned revenue collection ratios are currently achieved, which in turn required a re-assessment of previously modeled rates revenue for future years. The collection ratios of major revenue sources were consequently adjusted downwards to reflect realistic and sustainable flows over the 3-year

MTREF period. This aspect is currently receiving priority attention to improve on the collection rate of the municipality.

2. The actual expenditure incurred on the repairs and maintenance of infrastructure, especially on water infrastructure with pipes bursting and the replacement of the old asbestos pipes with pvc type pipes.
3. Service delivery vehicles are very old and are breaking down more regularly and subsequent repair cost is gradually on the increase year after year.
4. With the National Municipal Infrastructure Unit of the Department of Cooperative Governance and Traditional Affairs, declining to finance roads in town and previous “white” areas, more and more pressure is put on the repair and maintenance of the tar roads in town that is very old.
5. Roads infrastructure in the CBD area can no longer be repaired but is at a stage where it must be resealed and in other places even ripped up and rebuild in full.
6. The global financial meltdown and the effect it had on the ever increasing unemployment rate, has caused huge increases in the poor communities and lead to an increased number of households being unable to pay for municipal services utilized and increase the indigent figures dramatically.
7. This however, has a huge effect on the main source of income of the municipality which is rates and taxes for services rendered.

The combined effect of the above-listed economic/financial factors and consequential impact on departmental budgets resulted in a substantial deficit starting position on the MTREF Rates-funded portion.

Reversing the unacceptable deficit position on Rates required several iterative changes to the multi-year targets on both revenue and expenditure across all services, while simultaneously retaining the strategic links to and focus on the draft IDP and Budget Prioritization Model.

The Budget Steering Committee further placed particular emphasis on the following aspects to influence the outcome of the financial / MTREF scenario's presented to it:

- ✓ a differentiated approach to consideration of budgetary amendments across services, thereby giving effect to the strategic intent of the Budget Prioritization Model;
- ✓ further specific considerations to inform budgetary amendments or allocations were (factors to impact positively on budget allocations):
  - services which promote external service delivery;
  - services responsible for improvement to citizens' quality of living environment;
  - services responsible for hard infrastructure – based economic growth;
  - Services responsible for revenue collection.
- ✓ The limited financial resources available for additional allocations meant that few new projects or initiatives were to receive such budgetary allocations.

### **Financial modeling**

In addition to the above, further principles applied to the MTREF in determining the affordability envelope included:

- ✓ Higher than headline CPI revenue increases with regards Property rates at 9% and Electricity at 12.20% increase to the extent that they affect and support Council's operational activities of relevant services.
- ✓ A high percentage capital expenditure implementation rate was assumed, based on current spending patterns.
- ✓ Improved collection rates, based on collection achievements to date, incorporating improved success anticipated on selected revenue items taking in consideration the debt collection strategy.
- ✓ Higher than nationally projected inflation provisions for repairs and maintenance, to attain nationally benchmarked levels on this expenditure item, and ensure/enhance the preservation of the Municipality's infrastructure.

## **Key Financial Indicators in the MTREF**

### **Headline Consumer Price Index (CPI) – Inflation Outlook**

Headline CPI projected over the MTREF is an average of CPI forecasts from various financial institutions and the Bureau of Economic Research (BER).

The CPI increase for 2015/2016 budget was set at 6.2%,

CPI projection over the 2018 MTREF was 6.2% for 2015/2016 , 5.8% for 2016/2017 and 5.2% for 2017/2018.

However, the benchmark for the 2015 / 16 financial year was set at a straight line increase of around 6.2% with actual and current cpix as indicators for the outer year.

## **EXPENDITURE FRAMEWORK**

### **Salaries, wages and related staff costs**

The promulgation of the Salary and Wage Collective Agreement by the South African Local Government Bargaining Council (SALGBC) provided the general salary adjustment guidelines for the period 2015/2016 is still under negotiations and are set to be in and around the 7.2% according to Circular 74.

### **General expenses**

Items with the general expenses category were increased in proportion on the projected CPI increases over the MTREF.

However, as part of the initiative to attain affordable budget, general expenses were reduced.

### **Repairs and maintenance**

Serious repairs and maintenance and renewal backlogs exist in relation to municipal infrastructure, particularly municipality's electricity, water reticulation, sewage, storm water and roads systems. It is noted that these backlogs are impacting negatively on the financial sustainability of municipalities and on the reliability and quality of municipal services, as well as municipality's contribution to supporting economic growth.

- National Treasury is very concerned about the low levels of expenditure on repairs and maintenance and the renewal of existing infrastructure in most municipalities. Municipal councils, Mayors and municipal managers are therefore urged to ensure that allocations to repairs and maintenance, and the renewal of existing infrastructure are prioritised. In this regard:
- Therefore, more emphasis will be placed on this budget vote from this year going forward.

## **REVENUE FRAMEWORK**

### **Revenue growth parameters: Rates and trading services**

To ensure an effective, efficient and well-run Municipality, tariff increases are inevitable. The individual tariff increase proposals will be considered against the backdrop of the overall ‘package of tariffs’ approach adopted in compiling and evaluating the affordability of the tariffs and charges that make up the total municipal account.

The current financial predicament further impacted on the combination of revenue parameter increases required to ensure an affordable, balanced and sustainable budget over the 2015/2016 MTREF. After considering various scenario outcomes, the following revenue parameter increases were factored into the MTREF model for 2015/2016:

- *Rates:* The MPRA is used for the calculation of Property Rates. The residential rates guided the municipality to establish the other categories. A new valuation roll will be implemented in July 2015 thus we need to decrease the tariff to ensure the increased in value does not have a huge impact on the rate determination. The rates revenue increase was modeled at 9%. This above-CPI increase was required to achieve an affordable and balanced rates budget without impacting on service delivery.
- *Electricity:* The initial revenue parameter was based on the guidelines in the Circular 74 that proposed an annual 12.2% increase over the period 2015/2016.

Subsequent to the approval of the MTREF parameters by Council, the Electricity service’s revenue estimations were amended based on the NERSA statement on Eskom’s proposed tariff increases.

Even though the revenue parameter increase is higher than CPI, it afforded water and sanitation with limited scope for new initiatives.

- *Refuse Removal:* This revenue parameter increase was modeled at 6%; the increase is as a result of the impact of the higher disposal tariff and to ensure adequate service delivery levels in future.
- *Water and Sanitation:* The revenue parameter adjustment for both water and sanitation was modeled at chapters below.

### **Collection rate**

In accordance with relevant legislation and national directives, the Municipality’s projected revenue recovery rates are based on realistic and sustainable trends. The Municipality’s projected collection ratios are envisaged to increase from the current 56% to at least 80% especially when the debt collection strategy takes full effect.

### **National Grants**

#### ***Equitable Share***

The Constitution provides that each sphere of government is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it.

The equitable division of revenue takes into account the functions assigned to each sphere under the Constitution and the capacity of each government to pay for these functions through own receipts and revenues.

The local government equitable share allocations supplement municipalities’ own revenue sources for the provision of basic services to poor households within their areas of jurisdiction.

Initiatives are currently being pursued to assess the application of the equation for the Municipality to ensure that the allocation received by the Municipality is equitable and fair. The annual Division of Revenue Act (DORA) published the equitable share allocations. The following indicative allocations, as published in the 2015/2016 Division of Revenue Bill, were modeled:

2015/2016 – R 18 676 000

2016/2017 – R 19 187 000

2017/2018 – R 19 447 000

**NC076 Thembelihle - Supporting Table SA21 Transfers and grants made by the municipality**

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	
<b>Cash Transfers to other municipalities</b> <i>Insert description</i>										
Total Cash Transfers To Municipalities:	-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b> <i>Insert description</i>										
Total Cash Transfers To Entities/Ems'	-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to other Organs of State</b>										
ESKOM	164	47	166	196	196	196	208	221	233	
Pauper Burials	12	7	11	14	14	14	14	15	16	
Ward Committee Stipends			180	164	164	174	174	184	194	
Total Cash Transfers To Other Organs Of State:	-	175	53	357	374	374	397	420	443	
<b>Cash Transfers to Organisations</b>										
Indigent	412	1 898	607	956	800	800	850	899	948	
Total Cash Transfers To Organisations	412	1 898	607	956	800	800	850	899	948	
<b>Cash Transfers to Groups of Individuals</b> <i>Insert description</i>										
Total Cash Transfers To Groups Of Individuals:	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>412</b>	<b>2 073</b>	<b>660</b>	<b>1 313</b>	<b>1 174</b>	<b>1 174</b>	<b>1 247</b>	<b>1 319</b>	<b>1 391</b>	

**Table 14- Transfers and grants made by the municipality (Supporting Table SA21)**

#### **Capital expenditure (External Financing Fund/EFF component)**

The larger portion of Capital expenditure will be financed from conditional grants of National Government.

Here we have the Municipal Infrastructure Grant and RBIG projects as indicated. The following Infrastructure projects are budgeted for the 2015/16 financial year:

- Upgrading of Bulk Water Strydenburg
- Upgrading of Roads in Steynville
- Upgrading of Roads in Deetlefsville

Municipal Vote/	Program/Project description	Asset Sub-Class	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
			Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
Budget & Treasury	Furniture & Equipment	<i>Furniture and other office equipment</i>	92	70	70	70	70	Ward 2	New
Budget & Treasury	Intangible	<i>Computers - software &amp; programming</i>	23					Ward 2	New
Corporate Service	Furniture & Equipment	<i>Furniture and other office equipment</i>	16					Ward 2	New
Planning and Development	Furniture & Equipment	<i>Furniture and other office equipment</i>	8					Ward 2	New
Planning and Development	Plant & Equipment	<i>Plant &amp; equipment</i>	64					Ward 2	New
Planning and Development	Road project - Strydenburg	<i>Roads, Pavements &amp; Bridges</i>			3 544	3 663	1 853	Ward 1	New
Planning and Development	Road project - Steynville	<i>Roads, Pavements &amp; Bridges</i>			5 281	5 338	7 412	Ward 3	New
Planning and Development	Upgrading Upstrunction Point - Hopetown	<i>Reticulation</i>	10 442	7 260				Ward 2	New
Planning and Development	Sewerage Network	<i>Sewerage purification</i>	682					Ward 1 & 2	New
Water	MIG Unit	<i>Other</i>		8				Ward 2	New
	Upgrading Bulk Water	<i>Water purification</i>	383	5 399	8 362			Ward 3	New
Executive and Council	Furniture & Equipment	<i>Furniture and other office equipment</i>	9					Ward 3	New
<b>Capital expenditure</b>			<b>11 719</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>		

Table 15 - Detailed capital budget( Supporting Table SA36)

## 11. OVERVIEW OF BUDGET FUNDING

---

### Fiscal Overview

#### 1. 2015/2016 and 2016/2017 to 2017/2018 projected financial performance

##### 1.1 Operating Budget

The operating budget increased from R 77 717 115 million in 2014/2015 to R 84 296 355 million in 2015/2016. The growth is mainly attributable to:

- Repairs and Maintenance (Primary) of Infrastructure
- Higher than inflation increases to major expenditure components, such as the staff budget (salary level increases).

##### 1.2 Capital Budget

The capital budget increased from R12 737 100 million in 2014/2015 to R17 256 550 million in 2015/2016. The growth is mainly attributable to:

- MIG
- RBIG

#### 2. Medium Term Outlook: 2015/2016 to 2017/2018

## **Operating Budget**

The ensuing table reflects the increases in the operating

	2015/2016 R'm	2016/2017 R'm	2017/2018 R'm
Operating Budget	84,296	80,710	86,642

**Table 16: Medium term operating budget**

## **Capital Budget**

The ensuing table reflects the capital budget as well as the funding sources in the medium term:

	2013/2014 R'm	2014/2015 R'm	2015/2016 R'm
Capital Budget	17,256	9,071	9,334
<b>Funded as follows:</b>			
National Grant Funding	17,256	9,071	9,334
Provincial Grant Funding			

**Table 17: Medium term capital budget and funding sources**

The funding sources listed below as appropriated towards the following major projects on the capital budget:

### **National Grant Funded**

- MIG
- RBIG

### **1. Source of Funding**

#### **Rates, tariffs and other charges**

#### **Property Tax Rates**

The proposed property rates are to be levied in accordance with existing Council policies unless otherwise indicated and both the Local Government Municipal Property Rates Act 2004 (MPRA) and the Local Government Municipal Finance Management Act 2003.

The proposed average rates increase in 9% for all categories of properties.

Property tax rates are based on values indicated in the General Valuation Roll 2015 (GV). The Roll is updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls.

Rebates and concessions are granted to certain categories of property usage and/or property owner and will take effect with the new General Valuation Roll to be implemented by 01<sup>st</sup> July 2015. Each year thererafter a supplementary roll will amend the General Valuation Roll.

### **Water and Sanitation**

The proposed Water and Sanitation Tariffs for 2015/2016 are consistent with National Policy on the provision of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief measures, Rates and Tariff Policies and Equitable Service Framework. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service.

The progressive nature of the existing domestic stepped tariff structure both for water is pro-poor and allows for the needs of the indigent.

The tariff levels for water increase by 6% to make provision for the under collection of previous years. Sanitation tariffs increase by 6%. This is still a challenge for the municipality due to the cost reflective tariff that needs to be implemented.

### **Electricity**

The proposed revisions to the tariffs have been formulated in accordance with the Tariff and Rates Policy and comply with Section 74 of the Municipal Systems Act as well as the recommendation of the National Energy Regulator of South Africa (NERSA).

The Electricity Regulation Act requires that proposed revisions to the electricity consumption based tariffs be submitted to the Regulator for approval prior the implementation. Provisional approval will therefore be requested with the express proviso that any alterations required by Council will be submitted to the Regulator as soon as possible.

Guidelines for the municipal electricity tariff increase in July were issued by National Treasury as being 12.2%. The bulk purchases increase to the Municipality is budgeted to be 14.24%.

### **Solid Waste Management**

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include collection fees, disposal fees, compost sales, clearance of illegal dumping on private properties, weighbridge fees and other ad hoc services. It is proposed that the Collections Tariffs (Consumptive and Sundry) increase by 6%.

## 2. Grant Allocations

### National Allocations

The table below reflects the grant allocations in terms of the Division of Revenue Act that have been included in the medium term budget:

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>RECEIPTS:</b>									
<b>- Operating Transfers and Grants</b>									
<b>National Government:</b>									
Local Government Equitable Share	17 076	16 179	15 699	19 928	19 929	19 929	21 875	22 558	23 243
Finance Management Municipal Systems Improvement	12 349	14 630	12 914	16 735	16 735	16 735	18 676	19 187	19 447
Municipal Infrastructure Grant (MIG)	1 490	749	1 406	1 730	1 730	1 730	1 805	1 940	2 275
Sport and Recreation	800	800	799	934	934	934	930	957	1 033
Various Grants	2 437	–	580	529	530	530	464	474	488
<b>Provincial Government:</b>	4 975	267	345	603	603	603	603	603	603
Sport and Recreation	448	195	345	603	603	603	603	603	603
Various Grants	4 527	72	–						
<b>Other grant providers:</b>	–	871	706	1 000	1 000	1 000	1 000	–	–
Various Grants		871	706	1 000	1 000	1 000	1 000		
<b>Total Operating Transfers and Grants</b>	22 052	17 316	16 750	21 531	21 532	21 532	23 478	23 161	23 846
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>									
Municipal Infrastructure Grant (MIG)	15 391	29 907	8 708	20 007	12 737	12 737	17 257	9 071	9 334
Regional Bulk Infrastructure	11 646	10 964	5 264	10 068	7 268	7 268	8 825	9 001	9 264
Finance Management Integrated National Electrification Programme	3 744	15 660	3 105	5 399	5 399	5 399	8 362	–	–
DWA	751	102	70	70	70	70	70	70	70
Various Grants	2 531	237	4 470	–	–	–	–	–	–
<b>Provincial Government:</b>	2 558	–	3 324	–	–	–	–	–	–
DWA	2 558		3 324						
<b>Other grant providers:</b>	202	–	–	–	–	–	–	–	–
Various Grants	202								
<b>Total Capital Transfers and Grants</b>	18 150	29 907	12 032	20 007	12 737	12 737	17 257	9 071	9 334
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	40 202	47 223	28 781	41 538	34 269	34 269	40 735	32 232	33 180

Table 18: National allocations

### Provincial Allocations

The table below reflects the grants allocated in terms of the Provincial Gazette that have been included in this medium term budget:

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<u>Operating expenditure of Transfers and Grants</u>									
<b>EXPENDITURE:</b>									
Provincial Government:	4 975	267	345	603	603	603	603	603	603
Sport and Recreation	448	195	345	603	603	603	603	603	603
	4 527	72	–						
<b>Total operating expenditure of Transfers and Grants:</b>	<b>4975</b>	<b>267</b>	<b>345</b>	<b>603</b>	<b>603</b>	<b>603</b>	<b>603</b>	<b>603</b>	<b>603</b>
<u>Capital expenditure of Transfers and Grants</u>									
Provincial Government:	2 452	–	682	–	–	–	–	–	–
DWA	301		682						
Sport & Recreation	16								
Public Works	2 135								
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>7427</b>	<b>267</b>	<b>1027</b>	<b>603</b>	<b>606</b>	<b>603</b>	<b>603</b>	<b>603</b>	<b>603</b>

Table 19: Provincial allocations

## 12 EXPENDITURE ON ALLOCATIONS AND GRANT PROGRAMMES

---

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>EXPENDITURE:</b> <u>Operating expenditure of Transfers and Grants</u>									
National Government:									
Local Government Equitable Share Finance	17 076	16 179	15 699	19 928	19 929	19 929	21 875	22 558	23 243
Management Municipal Systems Improvement Municipal Infrastructure Grant (MIG)	12 349	14 630	12 914	16 735	16 735	16 735	18 676	19 187	19 447
	1 490	749	1 406	1 730	1 730	1 730	1 805	1 940	2 275
800	800	799	934	934	934	934	930	957	1 033
2 437	–	580	529	530	530	530	464	474	488
Provincial Government:									
Sport and Recreation	4 975	267	345	603	603	603	603	603	603
	448	195	345	603	603	603	603	603	603
	4 527	72	–						

<b>Other grant providers:</b>	-	871	706	1 000	1 000	1 000	1 000	-	-
Various Grants		871	706	1 000	1 000	1 000	1 000		
<b>Total operating expenditure of Transfers and Grants:</b>	22 052	17 316	16 750	21 531	21 532	21 532	23 478	23 161	23 846
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>									
Municipal Infrastructure Grant (MIG)	15 391	28 308	10 931	20 007	12 737	12 737	17 257	9 071	9 334
Regional Bulk Infrastructure Finance Management Integrated National Electrification Programme	11 428	10 964	10 445	10 068	7 268	7 268	8 825	9 001	9 264
DWA	1 739	15 532	383	5 399	5 399	5 399	8 362	-	-
Sport & Recreation	751	102	70	70	70	70	70	70	70
Public Works	2 224	1 061		4 470	-	-	-	-	-
<b>Provincial Government:</b>									
DWA	2 452	-	682	-	-	-	-	-	-
Sport & Recreation	301		682						
Public Works	16								
<b>Other grant providers:</b>									
Various Grants	2 135								
	202	-	-	-	-	-	-	-	-
	202								
<b>Total capital expenditure of Transfers and Grants</b>	18 044	28 308	11 612	20 007	12 737	12 737	17 257	9 071	9 334
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	40 096	45 624	28 362	41 538	34 269	34 269	40 735	32 232	33 180

Table 20: Expenditure on allocations and grant programme (Supporting Table SA19)

## 13 MONTHLY TARGETS FOR REVENUE, EXPENDITURE AND CASH FLOW

As can be seen from the Table below, the cash flow situation will remain very constraint for the 2015/16 financial year. A number of steps have been implemented to address this situation. Two of these are that we have again started with speed law enforcement and debt collection actions have been implemented in full which means that electricity will be cut where we are the service provider and legal action will also be taken against non-payers. Our approach remains that people who can pay, must pay. These two steps will result in an increase of 50% in our own income. A new valuation roll will also be implemented and it is recommended to Council to increase property rate income by 9%.

**NC076 Thembelihle - Supporting Table SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS R thousand	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Cash Receipts By Source</b>													1		
Property rates	416	375	344	382	477	325	347	335	225	247	235	298	4 009	3 867	3 085
Property rates - penalties & collection charges						-							-	-	-
Service charges - electricity revenue	780	629	706	710	604	797	699	738	706	610	704	721	8 403	9 413	10 545
Service charges - water revenue	97	112	106	81	118	126	124	167	126	124	167	2 151	3 498	4 217	5 002
Service charges - sanitation revenue	91	76	72	87	79	117	78	85	117	78	85	735	1 702	1 887	2 059
Service charges - refuse revenue	38	39	34	32	41	32	37	33	32	37	33	742	1 130	1 228	1 334
Service charges - other												-	-	-	-
Rental of facilities and equipment	10	24	33	7	33	28	4	36	28	4	36	302	545	577	496
Interest earned - external investments	32	15	26	23	15	12	15	24	37	25	45	49	318	337	358
Interest earned - outstanding debtors	66	59	66	46	57	66	77	60	78	85	32	75	766	960	1 049
Dividends received												-			
Fines	300	350	321	352	361	383	349	388	373	357	372	400	4 304	4 563	4 836
Licences and permits	12	24	13	17	10	11	10	25	11	10	25	28	195	207	220
Agency services												-			
Transfer receipts - operational	9 275	1 330			6 367	302		300	5 904				23 478	23 161	23 846
Other revenue	25	37	75	24	43	32	37	59	26	37	26	67	487	516	657
<b>Cash Receipts by Source</b>	<b>11 142</b>	<b>3 069</b>	<b>1 795</b>	<b>1 761</b>	<b>8 205</b>	<b>2 232</b>	<b>1 777</b>	<b>2 249</b>	<b>7 663</b>	<b>1 614</b>	<b>1 760</b>	<b>5 567</b>	<b>48 835</b>	<b>50 932</b>	<b>53 486</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	2 717				5 398		1 672		7 469			0	17 257	9 071	9 334
<b>Total Cash Receipts by Source</b>	<b>13 859</b>	<b>3 069</b>	<b>1 795</b>	<b>1 761</b>	<b>13 603</b>	<b>2 232</b>	<b>3 449</b>	<b>2 249</b>	<b>15 132</b>	<b>1 614</b>	<b>1 760</b>	<b>5 568</b>	<b>66 091</b>	<b>60 003</b>	<b>62 820</b>

<u>Cash Payments by Type</u>															
Employee related costs	1 332	1 319	1 300	1 392	1 305	1 734	1 375	1 321	1 374	1 375	1 321	1 334	16 482	17 548	18 671
Remuneration of councillors	226	226	226	226	236	238	238	238	238	238	237	237	2 808	2 998	3 193
Finance charges	57	57	57	57	57	57	57	57	57	57	57	57	685	725	765
Bulk purchases - Electricity	845	811	845	841	861	845	891	885	865	875	878	849	10 295	11 760	13 435
Bulk purchases - Water & Sewer	64	61	67	67	54	65	57	65	65	57	67	65	757	1 513	3 027
Other materials	82	97	95	91	92	96	94	90	96	94	90	78	1 095	1 448	2 113
Contracted services		11	20		14		26	52				49	171	181	191
Transfers and grants - other municipalities												-			
Transfers and grants - other	35	58	88	92	227	92	192	38	92	192	68	73	1 247	1 319	1 391
Other expenditure	988	1 411	904	906	815	1 097	948	962	1 297	1 148	962	1 052	12 489	12 050	12 841
<b>Cash Payments by Type</b>	<b>3 630</b>	<b>4 051</b>	<b>3 602</b>	<b>3 672</b>	<b>3 661</b>	<b>4 225</b>	<b>3 879</b>	<b>3 708</b>	<b>4 085</b>	<b>4 038</b>	<b>3 682</b>	<b>3 794</b>	<b>46 028</b>	<b>49 542</b>	<b>55 626</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	2 581				5 128		1 589		7 095			0	16 394	8 618	8 868
Repayment of borrowing	30	30	118	30	30	118	30	30	118	30	30	116	710	710	710
Other Cash Flows/Payments												-			
<b>Total Cash Payments by Type</b>	<b>6 241</b>	<b>4 081</b>	<b>3 720</b>	<b>3 702</b>	<b>8 819</b>	<b>4 343</b>	<b>5 498</b>	<b>3 738</b>	<b>11 298</b>	<b>4 068</b>	<b>3 712</b>	<b>3 911</b>	<b>63 131</b>	<b>58 869</b>	<b>65 204</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>7 618</b>	<b>(1 012)</b>	<b>(1 925)</b>	<b>(1 941)</b>	<b>4 784</b>	<b>(2 110)</b>	<b>(2 049)</b>	<b>(1 489)</b>	<b>3 833</b>	<b>(2 453)</b>	<b>(1 951)</b>	<b>1 657</b>	<b>2 960</b>	<b>1 134</b>	<b>(2 384)</b>
Cash/cash equivalents at the month/year begin:	10 402	18 019	17 008	15 082	13 141	17 925	15 814	13 765	12 276	16 109	13 656	11 705	10 402	13 362	14 495
Cash/cash equivalents at the month/year end:	18 019	17 008	15 082	13 141	17 925	15 814	13 765	12 276	16 109	13 656	11 705	13 362	14 495	12 112	

Table 21: Monthly targets for revenue and cash flow (Support Table SA30)

## 14 COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

No provision for performance bonuses has been made as this is not affordable at this stage. Renumeration is to a large degree negotiated at a national level and Thembelihle will have to implement the agreed to increases whether it is affordable or not. Due to the tight cash flow situation, Council has taken a decision that only critical posts will be filled until such time that the cash flow situation has improved. This will put a burden on staff to meet the vast number of reports having to be submitted as required by legislation. It will not always be possible to meet all deadlines, but we will endeavor to comply with legislation. This aspect also places a burden on our ability to work towards a clean audit opinion.

**NC076 Thembelihle - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)**

Disclosure of Salaries, Allowances & Benefits 1.	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.				2.
<b>Councillors</b>							
Speaker							-
Chief Whip		259 070	55 324	86 685			401 079
Executive Mayor							-
Deputy Executive Mayor		359 070	65 324	87 785			512 179
Executive Committee		1 195 353	266 623	432 331			1 894 307
Total for all other councillors							-
<b>Total Councillors</b>	-	<b>1 813 493</b>	<b>387 271</b>	<b>606 801</b>			<b>2 807 565</b>
<b>Senior Managers of the Municipality</b>							
Municipal Manager (MM)		610 647	90 918	138 173			839 738
Chief Finance Officer		588 188	90 917	128 352			807 457
Technical Manager		533 765	61 482	105 218			700 465
Corporate Manager		533 765	61 482	105 218			700 465
<i>List of each official with packages &gt;= senior manager</i>							
Total Senior Managers of the Municipality	-	2 266 365	304 799	476 961	-		3 048 125

Table 22: Salaries, allowances & benefits (political office bearers/councilors/senior managers) (Support Table SA23)

NC076 Thembelihle - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
	A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	1 107	1 174	1 270	1 618	1 692	1 692	1 813	1 937	2 063
Pension and UIF Contributions	137	142	190	243	236	236	253	271	288
Medical Aid Contributions	54	60	102	125	125	125	134	143	152
Motor Vehicle Allowance	288	330	307	258	251	251	270	288	307
Cellphone Allowance	82	97	63	136	315	315	337	360	384
Housing Allowances									
Other benefits and allowances									
<b>Sub Total - Councillors</b>	<b>1 667</b>	<b>1 803</b>	<b>1 933</b>	<b>2 380</b>	<b>2 619</b>	<b>2 619</b>	<b>2 808</b>	<b>2 998</b>	<b>3 193</b>
% increase		8.1%	7.2%	23.1%	10.0%	-	7.2%	6.8%	6.5%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	778	1 724	1 648	1 932	1 636	1 636	2 056	2 187	2 330
Pension and UIF Contributions	138	90	187	263	5	5	375	399	425
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	246	360	440	540	355	355	574	611	651
Cellphone Allowance		1	15	40			43	45	48
Housing Allowances		76							
Other benefits and allowances			394						
Payments in lieu of leave		71							
Long service awards		5							
Post-retirement benefit obligations									
<b>Sub Total - Senior Managers of Municipality</b>	<b>1 162</b>	<b>2 328</b>	<b>2 684</b>	<b>2 775</b>	<b>1 997</b>	<b>1 997</b>	<b>3 048</b>	<b>3 243</b>	<b>3 454</b>
% increase		100.4%	15.3%	3.4%	(28.0%)	-	52.6%	6.4%	6.5%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	7 239	9 264	9 268	12 695	12 248	12 248	12 847	13 660	14 523
Pension and UIF Contributions	2 252	1 899	1 927	2 330	2 240	2 240	2 399	2 562	2 728
Medical Aid Contributions		383	549	801	636	636	853	911	970
Overtime	901	796	1 097	1 042	1 162	1 162	1 109	1 184	1 261
Performance Bonus	465	413	824	1 219	1 022	1 022	1 301	1 390	1 480
Motor Vehicle Allowance		31	523	87	137	137	96	102	109
Cellphone Allowance		35	39		-	-		-	-
Housing Allowances	77	8	18	5	13	13	5	6	6
Other benefits and allowances		82	6	93	86	86	99	105	112
Payments in lieu of leave		12	13	212	525	525	161	172	184
Long service awards	56	28		10	5	5		-	-
Post-retirement benefit obligations			(1 363)	55	137	137	59	63	67
<b>Sub Total - Other Municipal Staff</b>	<b>10 989</b>	<b>12 952</b>	<b>12 903</b>	<b>18 550</b>	<b>18 210</b>	<b>18 210</b>	<b>18 928</b>	<b>20 155</b>	<b>21 440</b>
% increase		17.9%	(0.4%)	43.8%	(1.8%)	-	3.9%	6.5%	6.4%
<b>Total Parent Municipality</b>	<b>13 818</b>	<b>17 083</b>	<b>17 520</b>	<b>23 705</b>	<b>22 826</b>	<b>22 826</b>	<b>24 784</b>	<b>26 396</b>	<b>28 087</b>
		23.6%	2.6%	35.3%	(3.7%)	-	8.6%	6.5%	6.4%

Table 23: Councillor allowances and employee benefits (Support Table SA22)

## 15 ANNUAL BUDGETS AND SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLANS – INTERNAL DEPARTMENTS

In terms of Section 53 (1)(c)(ii) of the MFMA, the Service Delivery and Budget Implementation Plan (SDBIP) is defined as a detailed plan approved by the mayor of a municipality for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate the following :

- (a) Projections for each month of
  - Revenue to be collected, by source; and
  - Operational and capital expenditure, by vote.
- (b) Service delivery targets and performance indicators for each quarter, and

(c) Other matters prescribed.

The Executive Mayor, in accordance with Section 53 of the MFMA, is expected to approve the SDBIP within 28 days after the approval of the budget. In addition, the Executive Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the SDBIP are made public with 14 days after its approval.

The SDBIP gives effect to the Integrated Development Plan and the budget of the municipality. It is an expression of the objectives of the Municipality in quantifiable outcomes which will be implemented by the administration for the financial period from 1 July 2015 to 30 June 2016 (the Municipality's financial year). It includes the service delivery targets and performance indicators for each quarter which should be linked to the performance agreements of senior management. It therefore facilitates oversight over financial and non-financial performance of the municipality and allows the Municipality Manager to monitor the performance of the Executive Directors, the Mayor/Council to monitor the performance of the Municipality Manager, and the Community to monitor the performance of the Municipality Government.

The SDBIP for the 2015/2016 financial year will be approved by the Mayor in June 2015 after approval of the Budget.

#### **Providing clean water and managing waste water**

#### **DRINKING WATER QUALITY AND WASTE WATER MANAGEMENT**

#### **THEMBELIHL MUNICIPAL WATER SERVICE AUTHORITY AND PROVIDER**

Thembelihle Municipality is the Water Service Authority and Provider.

This responsibility falls under the Technical Department's water and wastewater sections. The Technical Manager is the responsible person.

#### **BLUE DROP PERFORMANCE**

Water quality in both Hopetown and Steynville is good and complies with SAN 241 specifications. We have recorded problems where samples have been analysed in Kimberley. The results have indicated that free chlorine is above 1 mg/l but we still obtain an E-coli count. This is not possible and so we are investigating the issue of contamination at the laboratory.

The Table below shows our Blue Drop Score.

Thembelihle Local Municipality  
from [www.dwa.gov.za](http://www.dwa.gov.za)

#### **Supply Area of Strydenburg**

The Town of Strydenburg, Deetlifsville and Mandela Square and Informal area

#### **Treatment:**

Raw water is abstracted from several boreholes. Water is disinfected using calcium hypochlorite at the central command reservoir.

## **Current Water Quality:**



Excellent Microbiological Water Quality Compliance but with Operational (*Not Monitored*) non-compliance.

## **Blue Drop Status:**

[2009 \(Blue Drop Report 2010\)](#) not participated.

[2010 \(Blue Drop Report 2011\)](#) 29.44%

[2011 \(Blue Drop Report 2012\)](#) 62.49%

## **Regulatory Comments:**

See below.

### **Supply Area Hopetown**

The Town of Hopetown, Steynville, Tamboville, Vergenoeg, Sewendelaan, Houjoubek, Informal areas of Goutrou,

Industrial area and plots

#### **Treatment:**

Conventional processes of flash mixing, coagulation, flocculation, clarification, filtration and disinfection Raw water from boreholes.

## **Current Water Quality:**



**Excellent Drinking Water Quality Compliance!**

## **Blue Drop Status:**

not

[2009 \(Blue Drop Report 2010\)](#) participated.

[2010 \(Blue Drop Report 2011\)](#) 54.08%

[2011 \(Blue Drop Report 2012\)](#) 77.71%

## **Regulatory Comments:**

The Department salutes the tremendous efforts made by Thembelihle Local Municipality to improve previous audit performance challenges. As a small municipality with an even smaller revenue base, Thembelihle displays what is possible if those responsible are dedicated to manage drinking water quality according to the set regulatory requirements. The Department congratulates all involved.

The four non-complying microbiological results in the Strydenburg water supply system slightly spoiled the performance. But it is trusted that disinfection procedures and the full implementation of the water safety planning process will ensure a turn-around in this regard.

Average consumption figures are reasonably high. It is therefore required that the municipality would give attention to this aspect of the water business, especially in light of the arid nature of the two Northern Cape towns, which the municipality is taking responsibility for.

## **2011 Municipal Score (2012 Report)**

## THEMBELIHLE LOCAL MUNICIPALITY

NORTHERN CAPE

Water Service Provider

## THEMBELIHLE LOCAL MUNICIPALITY

OVERALL SCORE

72.82%

This places us second in the Northern Cape and we wish to salute Ms Linda van Wyk for her efforts.

### GREEN DROP PERFORMANCE RATINGS

Performance of our wastewater treatment works both in Hopetown and Strydenburg have low ratings. Thembelihle Municipality was audited last year and the results of that audit are shown in the Table below.

System Name	WSP No.	Design Capacity (Ml/d)	2013 System Score (%)	2011 System Score (%)
Hopetown (Old Plant)		0.80	E+	62.40
Hopetown (New Plant)		1.30	D+	
Strydenburg (Old Plant)		0.25	C-	26.00
Strydenburg (New Plant)		0.55	C-	

We have many areas in which to improve and this will be part of our business plan for 2013/2014.

### RISK-BASED WATER SAFETY PLAN

Risk-based approach to the management of our water infrastructure is critical to ensuring the effective and efficient delivery of water services to Thembelihle residents.

Risks identified include:

- Abstraction license with van der Kloof WUA for abstracting water from the Orange River in Hopetown
- Abstraction licenses for all boreholes in Strydenburg
- Addressing the high risk associated with the abstraction pump station at Hopetown
- Registration and licensing of the water treatment works and the wastewater treatment works
- Effective training and registration of our process controllers
- Effective Water Conservation Water Demand Management of the infrastructure
- Addressing the lack of back-up power generators for all pump stations in both Hopetown and Strydenburg
- Aged asbestos cement pipes which burst regularly
- Addressing the disinfection management of potable water in Strydenburg
- Addressing the hardness of the potable water in Strydenburg possible by the introduction of lime softening
- Leaking command reservoir in Deetlifsville
- Addressing health and safety issues throughout all infrastructure in Hopetown and Strydenburg
- Inability to attract skilled artisans and professionals to Thembelihle
- Problem with aged vehicles, plant and equipment to operate and maintain Thembelihle's infrastructure

The following key components have been addressed:

- New 4,6 Mℓ/d WTW which should be commissioned in May 2013
- Planning has begun on the refurbishment of the abstraction pump station on the Orange River at Hopetown
- Refurbished bulk water supply scheme to Steynville
- Planning for the upgrading of the water resources in Strydenburg by equipping new boreholes in Fairfield

ACIP funding has been granted to Thembelihle for the replacement of bulk and domestic meters that are out of order. This will make a significant improvement to our unaccounted-for water losses which is currently standing at 48,4% of the potable water produced.

## 16 RECONCILITION OF IDP STRATEGIC OBJECTIVES AND CAPITAL BUDGET

**NC076 Thembelihle - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)**

Strategic Objective R thousand	Goal	Goal Code	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Sustaining the Natural and Built Environment	Services	A	15 871	16 593	1 064	9 950	5 399	5 399	8 362		
Economic Development and Job Creation	Planning & Development	B	2 586	11 060	10 515	11 068	7 268	7 268	8 825	9 001	9 264
Empowering our Citizens	Library	E	43	–							
Good Governance	Public Participation (Council)	G	64	6	9						
Financial Viability and Sustainability	Financial Management	H	124	751	115	70	70	70	70	70	70
Operations and Support Services	Coporate Services	I		74	16						
<b>Allocations to other priorities</b>											
<b>Total Capital Expenditure</b>			<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>

**Table 24: Reconciliation of IDP strategic objective and budget (capital Expenditure) (Supporting table SA6)**

## Capital Expenditure by Asset class/Sub class

NC076 Thembelihle - Supporting Table SA34a Capital expenditure on new assets by asset class

Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>18 576</b>	<b>27 556</b>	<b>11 507</b>	<b>19 929</b>	<b>12 659</b>	<b>12 659</b>	<b>17 187</b>	<b>9 001</b>	<b>9 264</b>
Infrastructure - Road transport	2 135	-	-	-	-	-	8 825	9 001	9 264
<i>Roads, Pavements &amp; Bridges</i>	2 135						8 825	9 001	9 264
Infrastructure - Electricity	2 224	1 061	-	4 470	-	-	-	-	-
<i>Transmission &amp; Reticulation</i>	2 224	1 061		4 470					
Infrastructure - Water	11 908	26 495	10 825	15 459	12 659	12 659	8 362	-	-
<i>Dams &amp; Reservoirs</i>	11 908	10 964	10 442	10 060	7 260	7 260			
<i>Reticulation</i>		15 532	383	5 399	5 399	5 399	8 362		
Infrastructure - Sanitation	1 739	-	682	-	-	-	-	-	-
<i>Sewerage purification</i>	1 739	-	682						
Infrastructure - Other	570	-	-	-	-	-	-	-	-
<i>Other</i>	570								
<b>Other assets</b>	<b>108</b>	<b>549</b>	<b>190</b>	<b>959</b>	<b>78</b>	<b>78</b>	<b>70</b>	<b>70</b>	<b>70</b>
General vehicles				231					
Plant & equipment	4	14	64	300					
Furniture and other office equipment	51	535	126	120	70	70	70	70	70
Other Buildings		-		200					
Other	53			108	8	8			
<b>Intangibles</b>	<b>4</b>	<b>379</b>	<b>23</b>	<b>200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computers - software & programming	4	379	23	200					
<b>Total Capital Expenditure on new assets</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>

Table 25: Capital expenditure by Asset class/ sub class (Supporting Table SA34(a))

1. Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

**Budget and Treasury Office**

A budget office and Treasury office has been established in accordance with the MFMA.

**Budgeting**

The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.

- **Financial reporting**  
100% compliance with regards to monthly, quarterly and annual reporting to the Executive Mayor, Mayoral Committee, Council, Provincial and National Treasury.
- **Annual Report**  
The annual report is prepared in accordance with the MFMA and National Treasury requirements.
- **Internship Programme**  
The Municipality of Thembelihle in participating in the Municipal Finance Management Internship Programme has employed a number of interns undergoing training in various finance departments. One of the interns completed the two-year training period and has taken up permanent employment within Finance. Five interns are currently employed in the Treasury department.

**Key issues addressed in National Treasury Circular 74: Municipal Budget Circular for the 2015 MTREF – refer Annexure 21**

**1. Municipalities' role in employment creation**

Underemployment, precarious employment (in the informal sector) and unemployment will continue to grow, putting further pressure on wage levels that are under stress, given cost of living increases and inflation generally. Hence, the percentage of the population living in poverty will continue to increase faster than the population finding employment at a living wage.

A major challenge has been to facilitate and encourage semi and unskilled labour absorptive growth. With financial services being the major driver of the Municipality economy its high end skills employer and does not create jobs at scale necessary to address employment challenges.

Expanded Public Works Programme (EPWP):

The creation of short term job opportunities through the EPWP is identified as one of the top Strategic Priorities in the Municipality of Thembelihle's Integrated Development Plan (IDP).

The Municipality is fully participating in the EPWP and has entered into a Memorandum of Agreement (MOA) with the Provincial EPWP unit committing to an annual job creation target as part of the EPWP Incentive Grant Scheme.

The maximization of labour intensive methods is driven through the SCM processes within the Municipality. Job creation targets are specified in tender documents where possible to regulate the use of temporary labour.

An EPWP policy is currently being developed to drive implementation and compliance of the programme within the Municipality. This is supported by the developments and implementation of a policy on the Recruitment and Selection of Community Workers for temporary work for all council programmes and projects. Through this initiative, it is aimed to provide the low and un-skilled labour with a fair access to community based work and to ensure the local communities are protected from both corruption and nepotism in accessing of job opportunities.

## **2. Procurement reforms and fighting corruption**

### **Corruption**

In addition to these policies and procedures, the Municipality makes use of an external service provider to verify the HDI status of vendor. The HDI status is used as part of the scoring when awarding to vendors, over and above the scoring of price and functionality (functionality is determined by the requisitioning department). With regard to the procurement of goods and services up to a value of R200 000, the buyers are placed in commodities and are rotated on an annual basis.

### **Compliance**

The Municipality's SCM policy is adopted in accordance with legislation. The supply chain processes are linked to this policy and each process is followed and monitored through regular internal, external and ISO audits.

## **3. Eskom bulk tariff increases**

### **Implementation of Inclining Block Tariff (IBT):**

NERSA conceded that implementation challenges exist for municipalities and agreed:-

- The industry is not expected to implement IBT during the 2015/2016 financial year.
- The 4 (four) block structure of the IBT and the energy rates per block detailed in the Media statement of 24 February 2010 are '*mere guidelines and municipalities may deviate from it*'.

## **4. Providing clean water and managing waste water**

The Municipality of Thembelihle performs the roles of both the Water Service Authority and Water Service Provider i.e. actually manages the provision of drinking water and treatment of wastewater.

## **5. Phasing in on formats and tables – Repairs and Maintenance**

NT Circular 74 stipulated that repairs and maintenance 'must be broken-up into component expenditure types for the 2015/2016 budget' and not reported on as a subjective category.

In order for the Municipality to be compliant, a rework of the repairs and maintenance subjective category had to be undertaken. A new allocation structure was created to allocate the budgetary provision by cost element of 'component expenditure' for the 2015/2016 budget

## 19 CAPITAL EXPENDITURE DETAILS

Municipal Vote/Capital project R thousand	Program/Project description	Asset Class 3	Asset Sub-Class 3	Prior year outcomes		2015/16 Medium Term Revenue & Expenditure Framework			Project information	
				Audited Outcome 2013/14	Current Year 2014/15 Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Ward location	New or renewal
<b>Parent municipality:</b> <i>List all capital projects grouped by Municipal Vote</i>										
Budget & Treasury	Furniture & Equipment	Other Assets	<i>Furniture and other office equipment</i>	92	70	70	70	70	Ward 2	New
Budget & Treasury	Intangible	Intangibles	<i>Computers - software &amp; programming</i>	23					Ward 2	New
Corporate Service	Furniture & Equipment	Other Assets	<i>Furniture and other office equipment</i>	16					Ward 2	New
Planning and Development	Furniture & Equipment	Other Assets	<i>Furniture and other office equipment</i>	8					Ward 2	New
Planning and Development	Plant & Equipment	Other Assets	<i>Plant &amp; equipment</i>	64					Ward 2	New
Planning and Development	Road project - Strydenburg	Infrastructure - Road transport	<i>Roads, Pavements &amp; Bridges</i>			3 544	3 663	1 853	Ward 1	New
Planning and Development	Road project - Steynville	Infrastructure - Road transport	<i>Roads, Pavements &amp; Bridges</i>			5 281	5 338	7 412	Ward 3	New
Planning and Development	Upgrading Upstrunction Point – Hopetown	Infrastructure - Water	<i>Reticulation</i>	10 442	7 260				Ward 2	New
Planning and Development	Sewerage Network	Infrastructure - Sanitation	<i>Sewerage purification</i>	682					Ward 1 & 2	New
Planning and Development	MIG Unit	Other Assets	<i>Other</i>		8				Ward 2	New
Water	Upgrading Bulk Water - Steynville	Infrastructure - Water	<i>Water purification</i>	383	5 399	8 362			Ward 3	New
Executive and Council	Furniture & Equipment	Other Assets	<i>Furniture and other office equipment</i>	9					Ward 3	New
<b>Parent Capital expenditure</b>				11 719	12 737	17 257	9 071	9 334		

Table 26: Capital budget detail (Support Table SA36)

## Operating Revenue by Source and Operating Expenditure by Type

### NC076 Thembelihle - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description R thousand	Vote 1 - Executive and Council	Vote 2 - Budget & Treasury	Vote 3 - Corporate Services	Vote 4 - Community & Social Services	Vote 5 - Public Safety	Vote 6 - Planning & Development	Vote 7 - Road Transport	Vote 8 - Electricity	Vote 9 - Water	Vote 10 - Water Waste Management	Vote 11 - Waste Management	Total
<b>Revenue By Source</b>												
Property rates		4 220						11 204				4 220
Service charges - electricity revenue									5 381			11 204
Service charges - water revenue									2 618			5 381
Service charges - sanitation revenue											1 430	2 618
Service charges - refuse revenue												1 430
Rental of facilities and equipment			465	80								545
Interest earned - external investments		318										318
Interest earned - outstanding debtors		435						408	243	201	107	1 393
Fines			5				4 783					4 783
Licences and permits							190					195
Other revenue	6	174	254		22	1	36	10	6	2		512
Transfers recognised – operational	18 676	2 735	603		1 464							23 478
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>18 676</b>	<b>7 714</b>	<b>644</b>	<b>937</b>	<b>-</b>	<b>1 486</b>	<b>4 974</b>	<b>11 647</b>	<b>5 634</b>	<b>2 825</b>	<b>1 539</b>	<b>56 077</b>

<b>Expenditure By Type</b>												
Employee related costs	1 244	4 166	2 918	801		5 914	1 229	753	3 087	857	1 007	21 977
Remuneration of councilors	2 808		5 221									2 808
Debt impairment												5 221
Depreciation & asset impairment			1 120	450		2 262		2 712	1 113	875	1 054	9 586
Finance charges		685										685
Bulk purchases			13					10 282	757			11 051
Other materials	8	4	157	18		136	127	206	311	84	44	1 095
Contracted services		171										171
Transfers and grants	1 247											1 247
Other expenditure	1 315	5 543	1 326	156	18	2 157	1 431	218	628	279	129	13 199
Loss on disposal of PPE												-
<b>Total Expenditure</b>	<b>6 621</b>	<b>15 791</b>	<b>5 534</b>	<b>1 425</b>	<b>18</b>	<b>10 468</b>	<b>2 787</b>	<b>14 171</b>	<b>5 896</b>	<b>2 094</b>	<b>2 234</b>	<b>67 040</b>
<b>Surplus/(Deficit)</b>	<b>12 055</b>	<b>(8 077)</b>	<b>(4 890)</b>	<b>(489)</b>	<b>(18)</b>	<b>(8 982)</b>	<b>2 187</b>	<b>(2 524)</b>	<b>(262)</b>	<b>731</b>	<b>(695)</b>	<b>(10 962)</b>
Transfers recognised – capital		70				8 825			8 362			17 257
Contributions recognised – capital												-
Contributed assets												-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>12 055</b>	<b>(8 007)</b>	<b>(4 890)</b>	<b>(489)</b>	<b>(18)</b>	<b>(157)</b>	<b>2 187</b>	<b>(2 524)</b>	<b>8 100</b>	<b>731</b>	<b>(695)</b>	<b>6 294</b>

Table 27: Operating revenue by source and operating expenditure by type per vote (Supporting Table SA2)

**ANNEXURE 1: RATES POLICY**

**PROPERTY RATES POLICY  
(Adopted by council on XXX)**

---

**INTRODUCTION**

- 1.1 The Local Government: Municipal Property Rates Act (2004) requires THEMELIHLE MUNICIPALITY to develop and adopt a rates policy consistent with the Act on levying of rates on rateable property in the municipality.
- 1.2 In developing and adopting this rates policy, THEMELIHLE MUNICIPALITY has sought to give effect to the sentiments expressed in the preamble of the Property Rates Act, namely that:

The Constitution enjoins local government to be developmental in nature, in addressing the service delivery priorities of our country and promoting the economic and financial viability of our municipalities;

There is a need to provide local government with access to a sufficient and buoyant source of revenue necessary to fulfil its developmental responsibilities;

Revenues derived from property rates represent a critical source of income for municipalities to achieve constitutional objectives, especially in areas neglected in the past because of racially discriminatory legislation and practices; and

It is essential that municipalities exercise their power to impose rates within a statutory framework which enhances certainty, uniformity and simplicity across the nation and which takes account of historical imbalances and the burden of rates on the poor.

- 1.3 In applying its rates policy, the Council shall adhere to all requirements of the Property Rates Act, 2004 (Act no. 6 of 2004) including any regulations promulgated in terms of the Act.

**2. DEFINITIONS**

- 2.1 In this Policy, a word or expression derived from a word or expression defined in this subsection has a corresponding meaning unless the context indicates that another meaning is intended:

**“agent”**, in relation to the owner of a property, means a person appointed by the owner of the property—

- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
- (b) to make payments in respect of the property on behalf of the owner;

**“agricultural purpose”**, in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;

**“annually”** means once every financial year;

**“appeal board”** means a valuation appeal board established in terms of section 56;

**“assistant municipal valuer”** means a person designated as an assistant municipal valuer in terms of section 35(1) or (2);

**“category”** —

- (a) in relation to property, means a category of properties determined in terms of section 8; and
- (b) in relation to owners of properties, means a category of owners determined in terms of section 15(2);

**“data-collector”** means a person designated as a data-collector in terms of section 36;

**“date of valuation”** means the date determined by a municipality in terms of section 31(1);

**“district management area”** means a part of a district municipality which in terms of section 6 of the Municipal Structures Act has no local municipality and is governed by that municipality alone;

**“district municipality”** means a municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in section 155(1) of the Constitution as a category C municipality;

**“effective date”**—

- (a) in relation to a valuation roll, means the date on which the valuation roll takes effect in terms of section 32(1); or
- (b) in relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of section 78(2)(b);

**“exclusion”**, in relation to a municipality’s rating power, means a restriction of that power as provided for in section 17;

**“exemption”**, in relation to the payment of a rate, means an exemption granted by a municipality in terms of section 15;

**“financial year”** means the period starting from 1 July in a year to 30 June the next year;

**“Income Tax Act”** means the Income Tax Act, 1962 (Act No. 58 of 1962);

**“land reform beneficiary”**, in relation to a property, means a person who—

- (a) acquired the property through—
  - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
  - (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
- (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or
- (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution be enacted after this Act has taken effect;

**“land tenure right”** means an old order right or a new order right as defined in section 1 of the Communal Land Rights Act, 2004;

**“local community”**, in relation to a municipality—

- (a) means that body of persons comprising—
  - (i) the residents of the municipality;
  - (ii) the ratepayers of the municipality;
  - (iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and
  - (iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and

(b) includes, more specifically, the poor and other disadvantaged sections of such body of persons;

**“local municipality”** means a municipality that shares municipal executive and legislative authority in its area with a district municipality within whose area it falls, and which is described in section 155(1) of the Constitution as a category B municipality;

**“market value”**, in relation to a property, means the value of the property determined in accordance with section 46;

**“MEC for local government”** means the member of the Executive Council of a province who is responsible for local government in that province;

**“Minister”** means the Cabinet member responsible for local government;

**“multiple purposes”**, in relation to a property, means the use of a property for more than one purpose;

**“municipal council”** or **“council”** means a municipal council referred to in section 18 of the Municipal Structures Act;

**“Municipal Finance Management Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**“municipality”**—

(a) as a corporate entity, means a municipality described in section 2 of the Municipal Systems Act; and

(b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

the THEMBELIHLÉ MUNICIPALITY.

**“municipal manager”** means a person appointed in terms of section 82 of the Municipal Structures Act;

**“Municipal Structures Act”** means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

**“Municipal Systems Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

**“municipal valuer”** or **“valuer of a municipality”** means a person designated as a municipal valuer in terms of section 33(1);

**“newly rateable property”** means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding—

- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
- (b) a property identified by the Minister by notice in the *Gazette* where the phasing-in of a rate is not justified;

**“occupier”**, in relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;

**“organ of state”** means an organ of state as defined in section 239 of the Constitution;

**“owner”—**

- (a) in relation to a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) in relation to a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) in relation to a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or
- (d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”, provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:
  - (i) A trustee, in the case of a property in a trust excluding state trust land;
  - (ii) an executor or administrator, in the case of a property in a deceased estate;
  - (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;
  - (iv) a judicial manager, in the case of a property in the estate of a person under judicial management;

- (v) a curator, in the case of a property in the estate of a person under curatorship;
- (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

**“permitted use”**, in relation to a property, means the limited purposes for which the property may be used in terms of —

- (a) any restrictions imposed by —
  - (i) a condition of title;
  - (ii) a provision of a town planning or land use scheme; or
  - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions;

**“person”** includes an organ of state;

**“prescribe”** means prescribe by regulation in terms of section 83;

**“property”** means—

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or
- (d) public service infrastructure;

**“property register”** means a register of properties referred to in section 23;

**“protected area”** means an area that is or has to be listed in the register referred to in section 10 of the Protected Areas Act;

**“Protected Areas Act”** means the National Environmental Management: Protected Areas Act, 2003;

**“publicly controlled”** means owned by or otherwise under the control of an organ of state, including —

- (a) a public entity listed in the Public Finance Management Act, 1999 (Act No. 1 of 1999);
- (b) a municipality; or
- (c) a municipal entity as defined in the Municipal Systems Act;

**“public service infrastructure”** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;
- (c) power stations, power substations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, sea walls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;

- (i) any other publicly controlled infrastructure as may be prescribed; or
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

**“rate”** means a municipal rate on property envisaged in section 229(1) (a) of the Constitution;

**“rateable property”** means property on which a municipality may in terms of section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of section 17;

**“rebate”**, in relation to a rate payable on a property, means a discount granted in terms of section 15 on the amount of the rate payable on the property;

**“reduction”**, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount;

**“register”—**

- (a) means to record in a register in terms of—
  - (i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or
  - (ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and
- (b) includes any other formal act in terms of any other legislation to record—
  - (i) a right to use land for or in connection with mining purposes; or
  - (ii) a land tenure right;

**“residential property”** means a property included in a valuation roll in terms of section 48 (2) (b) as residential;

**“Sectional Titles Act”** means the Sectional Titles Act, 1986 (Act No. 95 of 1986);

**“sectional title scheme”** means a scheme defined in section 1 of the Sectional Titles Act;

**“sectional title unit”** means a unit defined in section 1 of the Sectional Titles Act;

**“specified public benefit activity”** means an activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act;

**“state trust land”** means land owned by the state—

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);

**“this Act”** includes regulations made in terms of section 83.

### **3. ADOPTION AND CONTENTS OF RATES POLICY**

3.1 The THEMELIHLE MUNICIPALITY will adopt a policy on levying rates on rateable property in the THEMELIHLE municipal area.

3.2 The rates policy shall:

treat persons liable for rates equitably;

determine the criteria to be applied by the municipality if it –

levies different categories of properties;

exempts a specific category of owners of properties, or the owners of a specific category of properties, from payment on their properties;

grants to a specific category of owners of properties, or to the owners of a specific category of properties, a rebate on or a reduction in the rate payable in respect of their properties; or

increases rates;

determine, or provide criteria for the determination of –

categories of properties for the purpose of levying different rates as contemplated in paragraph (b)(i); and

categories of owners of properties, or categories of properties, for the purpose of granting exemptions, rebates and reductions as contemplated in paragraph (b)(ii) or (iii);

determine how the municipality’s powers in terms of section 9(1) must be exercised in relation to properties used for multiple purposes;

identify and quantify in terms of cost to the municipality and any benefit to the local community—

exemptions, rebates and reductions;

exclusions referred to in section 17(1)(a),(e),(g), (h) and (i) of the Act; and

rates on properties that must be phased in, in terms of section 21 of the Act;

take into account the effect of rates on the poor and include appropriate measures to alleviate the rates burden on them;

take into account the effect of rates on organisations conducting specified public benefit activities and registered in terms of the Income Tax Act for tax reductions because of those activities, in the case of property owned and used by such organisations for those activities;

take into account the effect of rates on public service infrastructure;

allow the municipality to promote local, social and economic development; and

identify, on a basis as may be prescribed, all rateable properties in the municipality that are not rated in terms of section 7(2)(a) of the Act .

- 3.3 Any exemptions, rebates or reductions referred to in subsection (3) and provided for in a rates policy adopted by a municipality must comply and be implemented in accordance with a national framework that may be prescribed after consultation with organised local government.
- 3.4 Council may not grant relief in respect of the payment of a rate –
  - to a category of owners of properties, or to the owners of a category of properties, other than by way of an exemption, a rebate or a reduction provided for in its rates policy and granted in terms of section 15 of the Act; or
  - to the owners of properties on an individual basis.

#### **4. LEVYING OF RATES**

- 4.1 Rates payable

The THEMBELIHLÉ MUNICIPALITY shall as part of each annual operating budget component impose a rate in the rand on the market value of all rateable property as recorded in the municipality's valuation roll and supplementary valuation roll.

Rates to be levied on all rateable property

THEMBELIHLLE MUNICIPALITY may levy rates on all rateable property in its area.

Section 7(1) of the Act does not--

- (a) oblige the municipality to levy rates on—
  - properties of which that municipality is the owner;
  - public service infrastructure owned by a municipal entity;
  - properties referred to in paragraph (b) of the definition of “property” in section 1 of the Act; or
  - properties in respect of which it is impossible or unreasonably difficult to establish a market value because of legally insecure tenure resulting from past racially discriminatory laws or practices; or
- (b) prevent a municipality from granting in terms of section 15 exemptions from, rebates on or reductions in rates levied in terms of subsection 4.1 of this policy.

#### Differential rates

- (1) Subject to section 19 of the Act, a municipality may levy rates for different categories of rateable property, which may include categories determined according to the—
  - use of the property;
  - permitted use of the property; or
  - geographical area in which the property is situated.
- (2) Categories of rateable property may include the following:
  - residential properties;
  - industrial properties;
  - business and commercial properties;
  - farm properties used for—
    - agricultural purposes;
    - other business and commercial purposes;
    - residential purposes; or
    - purpose other than those specified in subparagraphs (i) to (iii);
  - farm properties not used for any purpose;
  - smallholdings used for—
    - agricultural purposes;
    - residential purposes;
    - industrial purposes;
    - business and commercial purposes; or
    - purposes other than those specified in subparagraphs (i) to (iv);
  - state-owned properties;
  - municipal properties;

public service infrastructure;  
privately owned towns serviced by the owner;  
formal and informal settlements;  
communal land as defined in section 1 of the Communal Land Rights Act, 2004;  
state trust land;  
protected areas;  
properties on which national monuments are proclaimed;  
properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act; or  
properties used for multiple purposes.

#### Properties used for multiple purposes

A property used for multiple purposes will, for rates purposes, be assigned to a category determined on an ad-hoc basis by the municipality, subject to section 9 of the Act.

#### Levying of rates on property in sectional title schemes

A rate on a property which is subject to a sectional title scheme will be levied on the body corporate for the current valuation roll or supplementary valuation roll. With the implementation of the new valuation roll, a rate on a property which is subject to a sectional title scheme will be levied on the individual sectional title units in the scheme and not on the property as a whole. This does not apply in respect of rates levied against a valuation roll or supplementary roll prepared before the effective date of the first valuation roll as prepared in terms of the Act. This process will be phased in over a period of four years counting from the date of implementation of the Property Rates Act 2004, (Act no. 6 of 2004).

#### Period for which rates may be levied

THEMBELIHL MUNICIPALITY will levy the rate for a financial year. The levying of rates forms part of this municipality's annual budget process as set out in Chapter 4 of the Municipal Finance Management Act.

#### Exemptions, reductions and rebates

- (a) In imposing the rate in the rand for each annual operating budget component, the council shall grant the following exemptions, rebates and reductions to the categories of properties and categories of owners indicated below, but the council reserves the right to amend these exemptions, rebates and reductions if the circumstances of a particular budget so dictate.

- (b) In determining whether a property forms part of a particular category indicated below, the council shall have regard to the actual use to which the relevant property is put. In the case of vacant land not specifically included in any of the categories indicated below, the permitted use of the property shall determine into which category it falls.
- (c) Such exemptions, reductions and rebates must be indicated in the tariff and rate schedule approved by the council annually.

#### Exemptions

The following categories of owners of properties may be exempted from payment of a rate on their properties:

properties on which national monuments are situated, and where no business or commercial activities are conducted in respect of such monuments;

properties owned by public benefit (welfare/humanitarian) organisations and used to further the objectives of such organisations; or

- (iii) properties of which the Municipality is the owner;
- (iv) public service infrastructure owned by the Municipality;
- (v) properties in respect of which it is impossible or unreasonable difficult to establish a market value because of legally insecure tenure attributable to past racially discriminatory laws or practices;

Council may in terms of the Municipal Property Rates Act, 2004, identify other properties to be exempted from payment of a rate.

#### Reductions and rebates

Reductions and rebates on rates may be granted to the following categories of owners of properties:

indigent owners;

owners dependant on pensions or social grants for their livelihood;

owners temporarily without income;

owners of property situated within an area affected by—

- (i) a disaster within the meaning of the Disaster Management Act, 2002(Act No. 57 of 2002); or

- (ii) any other serious adverse social or economic conditions;
- (e) owners of residential properties with a market value lower than an amount determined by council;

properties on which national monuments are situated, but where business or commercial activities are conducted in respect of such monuments;

agricultural properties, but the following criteria has to be applied by Council in respect of such rebates:

- (i) the extent of services provided by Council in respect of such properties;
- (ii) the contribution of agriculture to the local economy;
- (iii) the extent to which agriculture assists in meeting the service delivery and development obligations of the council; and
- (iv) the contribution of agriculture to the social and economic welfare of farm workers;

state-owned properties; or

formal and informal settlements.

#### Other impermissible rates

- (a) Council may not levy a rate:
  - (i) on the first 30% of the market value of public service infrastructure with effect from the implementation of the valuation roll compiled in terms of this Act;
  - (ii) on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a botanical garden within the meaning of the National Environmental Management: Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes;
  - (iii) on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship with effect from the implementation of the valuation roll compiled in terms of this Act;
- (b) In addition to the foregoing, and as from 1 JULY 2012 (IMPLEMENT IN PHASES), the first R30 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from payment of rates in terms of Section 17(1)(h) of the Property Rates Act.

- (c) In respect of indigents' property rates, the rebate shall be 100% of the rates based on the rateable value up to R60 000 and 75% of the rates based on the rateable value above R60 000.

4.8 Reporting

- (a) The municipal manager must annually table in the Council:
- (i) a list of all exemptions, reductions and rebates granted by the municipality during the previous financial year; and
  - (ii) a statement reflecting the income, which the municipality has forgone during the previous financial year by way of such exemption, reductions and rebates.
- (b) All exemptions, reductions and rebates projected for a financial year must be reflected in the municipality's annual budget for that year as income on the revenue side and expenditure on the expenditure side.

4.9 Limits on annual increases of rates

Council shall, in imposing the rate for each financial year, revert to the requirements of Section 20 of the Act.

## 5. LIABILITY FOR RATES

### Method and time of payment

THEMBELIHL MUNICIPALITY shall recover rates on a monthly basis, calculated in 12 equal monthly instalments, payable on/or before due date as depicted on the monthly statement. Council can recover a rate annually, as may be agreed to with the owner of that property, and will be payable on or before 30 September of that current year.

### Accounts to be furnished

5.2.1 THEMBELIHL MUNICIPALITY shall furnish each person liable for the payment of a rate with a written account specifying—

- (a) the amount due for rates payable;
- (b) the date on or before which the amount is payable;
- (c) how the amount was calculated;
- (d) the market value of the property;
- (e) if the property is subject to any compulsory phasing-in discount in terms of section 21 of the Act, the amount of the discount.

- 5.2.2 An owner is liable for payment of a rate whether or not that person has received a written account. The furnishing of accounts for rates in terms of this section is subject to section 102 of the Municipal Systems Act.

#### Recovery of rates in arrears from tenants, occupiers and agents

- 5.3.1 If an amount due for rates levied in respect of a property is unpaid by the owner of the property after the date determined , council may recover the amount in whole or in part from a tenant or occupier of the property, despite any contractual obligation to the contrary on the tenant or occupier. An amount may only be recovered after council has served a written notice on the tenant or occupier.
- 5.3.2 The amount that council may recover from the tenant or occupier of the property is limited to the amount of the rent or other money due and payable, but not yet paid, by the tenant or occupier to the owner of the property. Any amount council recovers from the tenant or occupier of the property must be set off by the tenant or occupier against any money owned by the tenant or occupier to the owner.
- 5.3.3 The tenant or occupier of a property must, on request by council, furnish council with a written statement specifying all payments to be made by the tenant or occupier to the owner of the property for rent or other money payable on the property during a period determined by council.
- 5.3.4 Council may, despite the Estate Agents Affairs Act, 1976 (Act No. 112 of 1976), recover the amount due for rates on a property in whole or in part from the agent of the owner, but only after council has served a written notice to this effect, on the agent.
- 5.3.5 The amount council can recover from the agent is limited to the amount of any rent or other money received by the agent on behalf of the owner, less any commission due to the agent.
- 5.3.6 The agent must, on request by council, furnish council with a written statement specifying all payments for rent on the property and any other money received by the agent on behalf of the owner during a period determined by council.

#### Amendment of rates

- (a) The policy will be phased in over a period of three (3) years and the municipality shall not distinguish between the differences in levying rates on the market value of land and improvements respectively in this period.
- (b) Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false

information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

## **6. GENERAL VALUATION OF RATEABLE PROPERTY**

### **6.1 Frequency of valuations**

THEMBELIHL MUNICIPALITY shall prepare a new valuation roll every 4 (four) years and supplementary valuation rolls at least every 12 (twelve) months.

#### **Designation of municipal valuer**

Council must, before the date of valuation, designate a person as municipal valuer. An open, competitive and transparent process in accordance with Chapter 11 of the Municipal Finance Management Act will be followed in appointing said valuer.

#### **Valuation**

Property must be valued in accordance with generally recognised valuation practices, methods and standards, and the provisions of the Act.

#### **Sebata System**

The Sebata computer program is in use at THEMBELIHL MUNICIPALITY to assist in the valuation process. This computer program uses property data as it occurs on council's financial database. After data was collected during physical inspection of the properties and captured into the Sebata program, properties are electronically valued. Information applicable to management is now available. The valuation roll is then printed and available for public inspection. Notices are generated by the system for delivery to the property owners. After completion of the valuation process, the information is electronically transferred to council's financial database.

### **Interim valuation debits**

When property is transferred to a new owner and a supplementary valuation is conducted at the same time, council shall hold the previous as well as the new owner, jointly and severally liable for the amount due in respect of the interim account.

### **Clearance certificate**

- (a) A rates clearance certificate will be issued in terms of Section 118 of the Local Government: Municipal Systems Act, 2000, Act No. 32 of 2000, and will be valid till 30 June, following the date of application received.
- (b) If an amount liable for rates levied in respect of a property which formed part of a Municipal Housing Scheme, is unpaid by the owner and the property needs to be transferred, a rates clearance certificate will only be issued upon payment of the current account and after completion of an agreement for any municipal services in arrears, subject to Council's Credit Control and Debt Collecting Policy. Transfers affected may be one of the following:
  - (i) Transfer of a property from the THEMELIHLE MUNICIPALITY to the new owner;
  - (ii) Transfer of a property from one spouse to the other;
  - (iii) Transfer of a property from the owner (parent) to a child.

## **7. BY-LAWS**

- 7.1 The principle contained in this policy will be reflected in the various by-laws as promulgated and adjusted by Council from time to time.

### **ANNEXURE 2: TARIFF POLICY**

#### **TARIFF POLICY (Adopted by Council on XXX)**

---

## **1. INTRODUCTION AND LEGISLATIVE REQUIREMENTS**

- 1.1 In terms of section 62 (1) of the Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003, the Accounting Officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that, inter alia, the municipality has and implements a tariff policy referred to in section 74 of the Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended.

- 1.2 In terms of section 74 of the Municipal Systems Act the municipal council hereby adopts a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements.
- 1.3 This policy has been compiled in accordance with:-
  - 1.3.1 The Constitution of the Republic of South Africa, Act no 108 of 1996 as amended;
  - 1.3.2 Local Government: Municipal Systems Act (MSA), Act no 32 of 2000 as amended;
  - 1.3.3 Local Government: Municipal Finance Management Act (MFMA), Act no 56 of 2003;
  - 1.3.4 Local Government: Municipal Property Rates Act (MPRA), Act no 6 of 2004;
  - 1.3.5 Thembelihle Municipality Property Rates Policy as reviewed annually.

## **2. DEFINITIONS AND ABBREVIATIONS**

**"Account"** means an account rendered specifying charges for municipal services provided by the municipality, or any authorised and contracted service provider, and which account may include assessment rates levies.

**"Accounting officer"** means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

**"Annual budget"** shall mean the budget approved by the municipal council for any particular financial year, and shall include any adjustments to such budget.

**"Arrangement"** means a written agreement entered into between the municipality and the customer where specific repayment parameters are agreed to. Such arrangement does not constitute a credit facility envisaged in terms of section 8(3) of the National Credit Act but is deemed to be Incidental Credit as envisaged in terms of section 4(6)(b) read with section 5(2) and (3) of the National Credit Act.

**"Basic municipal services"** shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

**"Business and commercial property"** means -

- (a) property used for the activity of buying, selling or trading in commodities or services and includes any office or other accommodation on the same property, the use of which is incidental to such activity; or
- (b) property on which the administration of the business of private or public entities take place;

**"By-law"** shall mean legislation passed by the council of the municipality, and which shall be binding on the municipality and on the persons and institutions to which it applies.

**"Category"** –

- (a) in relation to a property, means a category of properties determined in terms of section 8(2) of the Act;
- (b) in relation to the owners of property, means a category of owners determined in terms of section 15(2) of the Act;

**"Chief financial officer"** means a person designated in terms of section 80 (2) (a) of the Municipal Finance Management Act.

**"Consumer price index"** shall mean the CPIX as determined and gazetted from time to time by the Statistician General.

**"Councillor"** shall mean a member of the Council of the municipality.

**"Domestic customer or user"** of municipal services shall mean the person or household which municipal services are rendered in respect of "residential property" as defined below.

**"Electricity charges"** means service charges in respect of the provision of electricity.

**"Farm property or small holdings used for agricultural purpose"** – means property that is used for the cultivation of soils for purposes of planting and gathering in of crops; forestry in the context of the planting or growing of trees in a managed and structured fashion; the rearing of livestock and game or the propagation and harvesting of fish, but excludes the use of a property for the purpose of eco-tourism; and in the respect of property on which game is reared, trade or hunted, it excludes any portion that is used for commercial or business purposes.

**"Farm property not used for any purpose"** means agricultural property which is not used for such purpose, regardless of whether such portion of such property has a dwelling on it which is used as a dwelling and must be regarded as residential property.

**"Financial year"** shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

**"Indigent customer"** means the head of an indigent household:-

- (a) who applied for and has been declared indigent in terms of Council's Indigent Support Policy for the provision of services from the municipality; and
- (b) who makes application for indigent support in terms of Council's Indigent Support Policy on behalf of all members of his or her household;

**"Indigent Support Programme"** means a structured program for the provision of indigent support subsidies to qualifying indigent customers in terms of the Council's Indigent Support Policy.

**"Indigent Support Policy"** means the Indigent Support Policy adopted by the Council of the municipality.

**"Integrated development plan"** shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000, as amended.

**"Industrial property"** – means property used for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts on such a large scale that capital and labour are significantly involved, and includes any office or other accommodation on the same property, the use of which is incidental to such activity;

**"Local community"** or **"community"**, in relation to the municipality, shall mean that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic organisations and non-governmental, private sector or labour organisations or bodies involved in local affairs within the municipality, and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality.

**"Month"** means one of twelve months of a calendar year.

**"Municipality"** or **"municipal area"** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act No. 27 of 1998 as the municipal area pertaining to the municipality.

**"the municipality"** means Thembelihle Local Municipality.

**"Municipal council"** or **"council"** shall mean the municipal council of Thembelihle Local Municipality as referred to in Section 157(1) of the Constitution.

**"Municipal manager"** shall mean the person appointed in terms of Section 82 of the Municipal Structures Act, 1998.

**"Multiple purposes"** in relation to a property, shall mean the use of a property for more than one purpose.

**"Municipal service"** has the meaning assigned to it in terms of Section 1 of the Municipal Systems Act.

**"Municipal tariff"** shall mean a tariff for services which the municipality may set for the provision of a service to the local community, and may include a surcharge on such service. Tariffs for major services shall mean tariffs set for the supply and consumption or usage of electricity, water, sewerage and refuse removal, and minor tariffs shall mean all other tariffs, charges, fees, rentals or fines levied or imposed by the municipality in respect of other services supplied including services incidental to the provision of the major services.

**"Occupier"** means any person who occupies, controls or resides on any premises, or any part of any premises without regard to the title under which he or she so occupies it.

**"Owner"** in relation to immovable property means -

(a) the person in whom is vested the legal title thereto provided that:-

(i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not, shall be deemed to be the owner thereof;

(ii) the occupier of immovable property occupied under a servitude or right analogous thereto, shall be deemed to be the owner thereof;

(b) if the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;

(c) if the owner is absent from the Republic or if his address is unknown to the municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or if the municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.

**"Pensioner"** shall be a domestic customer who have reached the age of 65 with proof of age by means of a certified copy of his/her identity document and approved as a pensioner by the Accounting Officer.

**"Premises"** includes any piece of land, the external surface boundaries of which are delineated on:

(a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or

(b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, and which is situated within the area of jurisdiction of the municipality.

**"Rate"** shall mean a municipal rate on property as envisaged in Section 229 (1) (a) of the Constitution.

**"Rateable property"** shall mean property on which the municipality may in terms of Section 2 of the Municipal Property Rates Act 2004 levy a rate, but excluding property fully excluded from the levying of rates in terms of Section 17 of that Act.

**"Ratepayer"** shall mean a person who is liable to the municipality for the payment of (a) rates on property in the municipality; (b) any other tax, duty or levy imposed by the municipality; and/or (c) fees for services provided either by the municipality or in terms of a service delivery agreement.

**"Rebate"** in relation to a rate payable on a property, shall mean a discount granted in terms of Section 15 of the Municipal Property Rates Act, 2004 on the amount of the rate payable on the property.

**"Refuse charges"** means service charges in respect of the collection and disposal of refuse.

**"Residential property"** shall mean a property included in the valuation roll in terms of Section 48(2)(b) of the Municipal Property Rates Act, 2004 as residential.

**"Residential property"** furthermore means improved property that: -

(a) is used predominantly (60% or more) for residential purposes, including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property.

Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes;

(b) is a unit registered in terms of the Sectional Title Act and is used predominantly for residential purposes;

(c) is owned by a share-block company and is used predominantly for residential purposes;

(d) is a residence used for residential purposes situated on a property used for educational purposes;

(e) is property which is included as residential in a valuation list in terms of section 48(2)(b) of the Act;

(f) are retirement schemes and life right schemes used predominantly (60% or more) for residential purposes;

vacant properties (empty stands), hotels, hostels, old-age homes and accommodation establishments, irrespective of their zoning or intended use, have been specifically excluded from this property category;

**"Sewerage charges"** means service charges in respect of the provision of sewerage services.

**"Small holding"** means

(a) all agricultural zoned land units situated within an urban region with an area of one to three hectares; or

(b) any agricultural zoned land unit situated outside an urban region with an area of three hectares or less;

**"State owned property"** excludes any property included in the valuation roll under the category 'residential property' or 'vacant land', but includes any property that is under state control but is still registered in the name of the municipality;

**"Tariff"** means the scale of rates, taxes, duties, levies or other fees which may be imposed by the municipality in respect of immovable property or for municipal services provided.

**"Tariff Policy"** means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000.

**"Water charges"** means service charges in respect of the provision of water.

### **3. PURPOSE OF THE TARIFF POLICY**

- 3.1 Apart from meeting legislative requirements, this policy also emanates from the objectives determined in Council's anti-corruption policy.
- 3.2 The purpose of this tariff policy is to prescribe the accounting and administrative policies and procedures relating to the determining and levying tariffs by the Thembelihle Local Municipality.
- 3.3 The Municipality should perform the procedures set out in this policy to ensure the effective planning and management of tariffs. In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

### **4. SCOPE OF APPLICATION**

- 4.1 This policy applies to all tariffs charged within the defined boundaries of Thembelihle Local Municipality.

### **5. BASIC PRINCIPLES TO BE CONSIDERED IN DETERMINATION OF A TARIFF STRUCTURE**

- 5.1 Service tariffs imposed by the local municipality shall be viewed as user charges and not as taxes, and therefore the ability of the relevant customer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigent relief measures approved by the municipality from time to time).
- 5.2 The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- 5.3 Tariffs for the four major services rendered by the municipality, namely Electricity, Water, Sewerage and Refuse Removal, shall as far as possible recover the expenses associated with the rendering of each service concerned, and where feasible, generate a modest surplus as determined in each annual budget. Such surplus shall be applied in relief of property rates or for the future capital expansion of the service concerned, or both.
- 5.4 The tariff which a particular customer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.
- 5.5 The municipality shall develop, approve and at least annually review an indigent support programme for the municipal area. This programme shall set out clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and customers in the municipal region.
- 5.6 In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and customers in regard to the tariffs which it levies. Such differentiation shall however at all times be reasonable and shall be fully disclosed in each annual budget.
- 5.7 The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of customers or users shall be evident to all customers or users of the service in question.
- 5.8 The municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all customers and users affected by the tariff policy concerned.

- 5.9 The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- 5.10 In the case of conventional metering systems for electricity and water, the consumption of such services shall be properly metered by the municipality and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on customers shall be proportionate to the quantity of the service which they consume. In addition, the municipality shall levy a monthly fixed charge for electricity and water services.
- 5.11 In adopting what is fundamentally a two-part tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.
- 5.12 In case of vacant stands, where the services are available but not connected, the municipality shall levy a monthly availability charge which is levied because of fixed costs such as the capital and maintenance costs and insurance of infrastructure available for immediate connection. This principle also applies to vacant stands in areas serviced through septic tanks.

## **6. FACTORS TO BE CONSIDERED IN THE DETERMINATION OF A TARIFF STRUCTURE**

### **6.1 Financial Factors**

- 6.1.1 The primary purpose of a tariff structure is to recover the actual costs of the rendering of a particular service to avoid cross subsidising of services.
- 6.1.2 In order to determine the tariffs which must be charged for the supply of the four major services, the municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:-
  - 6.1.2.1 Cost of bulk purchases in the case of water and electricity.
  - 6.1.2.2 Distribution costs.
  - 6.1.2.3 Distribution losses in the case of electricity and water.
  - 6.1.2.4 Depreciation expenses.
  - 6.1.2.5 Maintenance of infrastructure and other fixed assets.
  - 6.1.2.6 Cost of approved indigent relief measures and cross subsidising of low consumption.
- 6.1.2.7 Administration and service costs, including:-
  - (a) service charges levied by other departments such as finance, human resources and legal services;
  - (b) reasonable general overheads, such as the costs associated with the Office of the Municipal Manager;
  - (c) adequate contributions to the provisions for bad debts and obsolescence of stock; and

- (d) all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of the democratic process in the municipality – that is, all expenses associated with the political structures of the municipality – shall form part of the expenses to be financed from property rates and general revenue, and shall not be included in the costing of the major services of the municipality).

6.1.2.8 The intended surplus to be generated for the financial year. Surplus to be applied:-

- (a) as an appropriation to capital reserves; and/or
- (b) generally in relief of rates.

## 6.2 Socio-economic factors

6.2.1 Although the determination of tariffs is in many instances politically orientated, it ought to be based on sound, transparent and objective principles at all times. In order to fully understand the influence of the socio-economic factors the various user categories and forms of subsidisation needs to be considered. Tariffs should also support business initiatives aimed at creating jobs or contribute to the economy of the area.

6.2.2 Users can be divided into the following categories:-

6.2.2.1 Users who are incapable to make any contribution towards the consumption of services and who are fully subsidised;

6.2.2.2 Users who can afford the cost of the services in total.

6.2.3 It is important to identify these categories and to plan the tariff structures accordingly. Subsidies currently derived from two sources namely:-

6.2.3.1 Contributions from National Government: National Government makes an annual contribution according to a formula, which is primarily based on information obtained from Statistics South Africa by means of census surveys. If this contribution is judiciously utilised it will subsidise all indigent households who qualify in terms of the Council policy.

6.2.3.2 Contributions from own funds: The Council can, if the contribution of National Government is insufficient, provide in its own operational budget for such support. Such action will in all probability result in increased tariffs for the larger users. Any subsidy must be made known publicly.

6.2.4 To make provision for subsidisation the tariff structure can be compiled as follow:-

6.2.4.1 Totally free services (within limits and guide lines);

6.2.4.2 Full tariff payable with a subsidy that is transferable from sources as mentioned above.

## 6.3 Minimum service levels

6.3.1 It is important that minimum service levels be determined in order to make an affordable tariff package available to all potential users.

#### **6.4 Credit Control**

- 6.4.1 It is not possible to successfully compile a tariff structure without consideration of the stipulations of an effective credit control system. Income is provided for in the budget as if a 100% payment level will be maintained. It is therefore important to continuously ensure that users indeed pay punctually. Non-payment has a direct effect in that provision for bad debt, in accordance with current payment levels, must be provided as expenditure in the budget.
- 6.4.2 However, it is also a fact that there are users who are unable to pay. Tariffs must therefore provide access to a minimum level of basic services for all users. It should furthermore be supplemented with a practical policy for indigents. This will ensure the sustainable delivery of services. In addition, adequate provision should be made on an annual basis for bad debt/ working capital in accordance with current payment levels.

#### **6.5 Package of services**

- 6.5.1 The accounts for rates and services must not be seen in isolation. It must be considered jointly to determine the most affordable amount that the different users can pay as a total account. The basic costs of a service must first of all be recovered and then only can profits be manipulated to determine the most economic package for the user with due allowance for future events in regard to a particular service.

#### **6.6 Historical and future user patterns**

- 6.6.1 It is important to keep accurate consumption statistics for the purpose of determining tariffs. Consumption determines tendencies, which ultimately have an influence on tariffs within a structure. Provision should be made in the process for growth and seasonal use, as well as for unforeseen events that may have an impact on tariffs.

#### **6.7 User groups**

- 6.7.1 Users are traditionally divided into user groups as set out below:-

- 6.7.1.1 Domestic (Residential);
- 6.7.1.2 Businesses/ Commercial;
- 6.7.1.3 Industries/Bulk customers;
- 6.7.1.4 Farm properties (agricultural);
- 6.7.1.5 Accommodation establishments (guest houses);
- 6.7.1.6 Municipal consumption (departmental charges); and
- 6.7.1.7 Institutions that may be directly subsidised for example retirement homes, schools and hostels, sport organisations, etcetera.
- 6.7.1.8 Special arrangements for specific developments as may be determined by Council from time to time.

- 6.7.2 A continuous effort should be made to group together those users who have more or less the same access to a specific service.

## **7. FREE BASIC SERVICES**

- 7.1 Free basic municipal services refer to those municipal services necessary to ensure an acceptable and reasonable quality of life and which service, if not provided, could endanger public health or safety or the environment.
- 7.2 In terms of the South African Constitution all customers should have access to basic services. Currently, the free basic services provided to the domestic customers within the Thembelihle Local Municipality are as follows: -
  - 7.2.1 The extent of the monthly indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.
  - 7.2.2 The general threshold for indigent support is restricted to qualifying households with a combined income amount per month less or equal than an amount determined by Council.

## **8. REDUCED CHARGES FOR PENSIONERS**

Once a domestic customer has been approved as a pensioner, the full monthly account will be discounted by 10% on the condition that payment is made in full prior to or on the due date. This 10% discount will be in addition to the early payment discount of 5% applicable to all users.

## **9. EARLY PAYMENT DISCOUNT**

If payment is received and recorded in the Municipality's records as being paid in full on or before the 5th working day in the month following the statement date, a discount of 5% will be given on the current month's account.

## **10. TARIFF STRUCTURES FOR VARIOUS SERVICES**

- 10.1 It is essential that a compromise be reached between the following needs with the determination of a tariff structure: -
  - 10.1.1 The need to reflect costs as accurately as possible in order to achieve cost effectiveness;
  - 10.1.2 The need to ensure equality and fairness between user groups;
  - 10.1.3 The need for a practically implementable tariff;
  - 10.1.4 The need to use appropriate metering and provisioning technology;
  - 10.1.5 The need for an understandable tariff; and
  - 10.1.6 The user's ability to pay.
- 10.2 Taking into consideration the abovementioned points the tariff structure of the following services are discussed:-
  - 10.2.1 Electricity.
  - 10.2.2 Water.
  - 10.2.3 Refuse Removal.

10.2.4 Sewerage.

10.2.5 Property Rates.

## 10.3 Electricity

10.3.1 To calculate the tariff for electricity, the actual cost incurred in the supply of electricity to the community, has to be taken into consideration. The principle of basic levies as well as a per unit tariff for electricity is determined by the cost structure. This cost structure consists of the following components:-

10.3.1.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any electricity has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of electricity, costs of capital and insurance that is payable in respect of the infrastructure. These costs must be recovered whether any electricity is used or not. The costs are therefore recovered by means of a fixed levy per period (normally as a monthly basic charge) in order to ensure that these costs are covered.

10.3.1.2 Variable costs: It relates to the physical provision of electricity according to consumption/demand and must be financed by means of a unit tariff which is payable per kWh/KVA electricity consumed.

10.3.1.3 Profit taking: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

10.3.2 The following tariff structures were basically used for the determination of tariffs:-

10.3.2.1 Inclining block tariff (IBT) tariff structure where customers' consumption is divided into blocks and each subsequent block has a higher energy rate (c/kWh). The tariff structure has been set by NERSA in order to protect/ cross-subsidise low income domestic customers and to promote energy efficiency.

10.3.2.2 Two part tariff (consist of a basic monthly charge plus a variable charge related to metered kWh consumption):-

- Energy rate (c/kWh)
- Basic monthly charge (R/month).

10.3.2.3 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements and/or special circumstances.

10.3.3 An availability fee will be charged on properties not connected to the electricity network should it be available to that property. This fee aims to recoup capital and maintenance costs in respect of such properties. If the owner connects the service with the intention to improve the property the debit will be adjusted pro-rata from the date of the connection.

## 10.4 Water

10.4.1 Water is a scarce commodity with little alternatives available (contrary to electricity). Tariff structures should therefore be aimed at the reduction of consumption. In order to cut consumption, an inclining block rate tariff structure with a basic fee is applied. In principle, the amount that users pay for water services should generally be in proportion to their use of water services. Tariffs must be set at levels that facilitate the sustainability of the service.

10.4.2 To calculate the tariff for water, the actual cost incurred in the supply of water to the community, has to be taken into consideration. The principle of basic levies as well as a kilolitre tariff for water is determined by the cost structure. Similar to electricity, this cost structure consists of the following components:-

10.4.2.1 Fixed costs: It represents that portion of expenses that must be incurred irrespective of the fact whether or not any water has been sold, for example the salary of staff who have been appointed permanently with specific tasks relating to the provision of water, costs of capital and insurance that is payable in respect of the infrastructure. These costs must be recovered whether any water is used or not. The costs are therefore recovered by means of a fixed levy per period (normally on a monthly basis) in order to ensure that these costs are covered.

10.4.2.2 Variable costs: It relates to the physical provision of water according to demand and must be financed by means of a unit tariff which is payable per kilolitre water consumed.

10.4.2.3 Profit taking: The tariffs for these services are determined in such a way that a NETT trading surplus is realised. Any trading surplus is used to subsidise the tariffs of rate funded services.

10.4.3 The following tariff structures were basically used for the determination of tariffs:-

10.4.3.1 Two-leg tariff consisting of a basic charge and a consumption charge for users with conventional meters.

10.4.3.2 An availability fee will be charged to users and/or properties not connected to the water network, should it be available. This fee aims to recoup capital and maintenance costs of networks as well as certain fixed administrative costs in respect of such properties. If the owner connects and improves the property the debit will be adjusted pro-rata from the date of the connection.

10.4.3.3 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

10.4.3.4 Inclining block tariff (IBT) tariff structure where customer's consumption is divided into blocks and each subsequent block has a higher consumption rate (c/kl). The tariff structure has been set by Council in order to protect/ cross-subsidise low income domestic customers and to promote water consumption efficiency.

## 10.5 Refuse Removal

10.5.1 Refuse removal is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

10.5.2 A customer who chooses to do his/her own refuse removal will still be liable for paying the applicable refuse tariff.

10.5.3 The tariff levied by Thembelihle Local Municipality is based on the category of property as determined in the valuation roll.

10.5.4 The following tariff structures were basically used for the determination of tariffs:-

10.5.4.1 Residential (domestic customers) – maximum of one removal per week (black bag system).

10.5.4.2 Accommodation Establishments – maximum of one removal per week (black bag system).

10.5.4.3 Business/ Commercial/ Industrial – maximum of one removal per week.

10.5.4.4 Government/Banking Institutions - maximum of one removal per week.

10.5.4.5 Schools/Hotels - maximum of one removal per week.

10.5.4.6 Homes for the Aged – maximum of one removal per week.

10.5.4.7 Additional removals – More than the maximum removals as per 8.5.4.1 - 8.5.4.6.

10.5.4.8 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

10.5.4.9 Garden refuse removals – maximum of one removal per week.

## 10.6 Sewerage

10.6.1 Sewer service is an economic service and tariff calculations should be based on the actual cost incurred in delivering the service.

10.6.2 The following tariff structures were basically used for the determination of tariffs:-

10.6.2.1 The tariff levied for waterborne sewerage systems is based on the type of user as determined by the Municipality.

10.6.2.2 The tariff levied for the bucket system will consist of a basic charge.

10.6.2.3 Customers who are not connected to the waterborne sewerage network but who can reasonably be connected shall pay an availability tariff.

10.6.2.4 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

## 10.7 Property Rates

10.7.1 The rate levied by the municipality will be a cent amount in the Rand based on the market value of the property.

10.7.2 In terms of the Municipal Property Rates Act, 2004 the municipality may levy different rates for different categories of rateable property. Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category and by way of reductions and rebates as provided for in the municipality's property rates policy.

10.7.3 In terms of section 17 (1) (e) of the Municipal Finance Management Act the municipality's property rates policy must be reviewed on an annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

# 11. ELECTRICITY TARIFF POLICY

Electricity is supplied under a distribution license, granted by NERSA, for a specific area of jurisdiction, which regulates inter alia the following aspects:-

a. Classification of customer categories.

b. Permissible tariff structure options are determined at a national level and distributors are obliged to apply these structures to obtain uniformity.

- c. All tariff structures and tariffs must be approved by NERSA prior to application thereof by a distributor.

## 11.1 Residential Customers

This tariff covers the supply of electricity for domestic use in private dwellings, flats and chalets with separate meters and includes churches, schools, welfare buildings, hospitals, halls or similar premises with circuit breaker sizes not in excess of 63A single phase or 63A three phase.

Should customers require supplies in excess hereof, the Commercial Customer or Bulk Supply tariff will be applicable.

### 11.1.1 *Customers with Conventional Meters*

11.1.1.1 Customers with conventional meters are billed as follow:-

- (a) An availability charge is payable on all properties, where a connection to the electricity network is possible, but not in use.
- (b) Two part tariff:
  - i. Fixed monthly charge (R/month).
  - ii. Energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh consumed which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

### 11.1.2 *Pre-paid Customers*

11.1.2.1 Pre-paid users, if applicable, are charged at an inclining block tariff per unit based on the number of kWh purchased, which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh

Block 4: >600 kWh

11.1.2.2 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases.

11.1.2.3 Registered Indigents receive a number of kWh units fully subsidised every month, as determined by Council on an annual basis. Where possible, Council may limit the supply to indigent consumers to 20A single phase.

## 11.2 Commercial/ Business Customers/ Accommodation Establishments

This tariff covers the supply of electricity to shops, office buildings, hotels, accommodation establishments, clubs, industrial undertakings, Builder's supplies or similar premises with circuit breaker sizes not in excess of 63A single phase or 100A three phase.

Should customers require supplies in excess hereof, the Non-standard tariff will be applicable.

### 11.2.1 *Customers with Conventional Meters*

11.2.1.1 Customers with conventional meters are billed as follow:-

- (a) An availability charge is payable on all properties, where a connection to the electricity network is possible, but not in use.
- (b) Two part tariff:
  - i. Fixed monthly charge (R/month).
  - ii. Energy rate (c/kWh). The energy rate is charged at a single rate tariff per unit based on the number of kWh consumed.

### 11.2.2 *Pre-paid Customers*

11.2.2.1 Pre-paid users, if applicable, are charged at a single rate tariff per unit based on the number of kWh purchased.

11.2.2.2 Should the customer have any municipal arrears, the auxiliary payment system may be activated for the gradual payment of the arrears as a percentage of purchases or the blocking of purchases will be introduced.

## 11.3 Non-standard Customers

11.3.1 The Non-standard tariff is for Customers with a notified maximum demand of 71kVA or more or who require a supply greater than a 100Amp three phase circuit breaker size.

11.3.2 These customers are billed as follow:-

- (a) An availability non-standard charge is payable on all properties, where a connection to the electricity network is possible, but not in use.
- (b) Two part tariff:
  - i. Fixed Non-standard monthly charge (R/month).

- ii. Non-standard energy rate (c/kWh). The energy rate is charged on an inclining block tariff per unit based on the number of kWh consumed which is determined as follows:-

Block 1: 0 to 50 kWh
Block 2: 51 to 350 kWh
Block 3: 351 to 600 kWh
Block 4: >600 kWh

#### 11.4 Special Arrangements

- 11.4.1 Other tariffs may be applicable which has been determined by the Manager: Technical Services or Council by special agreement with specific clients. This will only be considered when special circumstances prevail.

#### 11.5 Departmental

- 11.5.1 The respective Commercial and Bulk Supply tariffs as per Item No's 9.2 and 9.3 above will be applicable to all municipal buildings, pump stations, waste water works, water treatment works, etc.

#### 11.6 Electricity sundry tariffs

- 11.6.1 All other electricity related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

## 12. WATER TARIFF POLICY

#### 12.1 Domestic /Commercial /Business /Accommodation Establishments

- 12.1.1 Customers are billed as follow:-

12.1.1.1 All users receive 6kl of water free every month, if approved by Council on an annual basis.

12.1.1.2 An availability charge is payable on all properties, where a connection to the water reticulation network is possible, but not in use.

12.1.1.3 A basic charge is payable on all properties that are connected to the water network, regardless of whether any water is used.

12.1.1.4 Registered Indigents receive their subsidy on the basic levy for water every month, as determined by Council on an annual basis.

12.1.1.5 Registered Indigents receive an amount of water fully subsidised every month, as determined by Council on an annual basis.

12.1.1.6 Domestic customers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:-

- (a) 1 to 6 kl

(b) 7 to 15 kl

(c) 16 to 25 kl

(d) > 25 kl

## 12.2 Businesses and Industries

### 12.2.1 Customers are billed as follow:-

12.2.1.1 An availability charge is payable on all properties, where a connection to the water reticulation network is possible, but not in use.

12.2.1.2 A basic charge is payable on all properties that are connected to the water network, regardless of whether any water is used.

12.2.1.3 Customers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage in the following blocks:-

(a) 1 to 60kl

(b) 61 kl and above

## 12.3 All other Customers

### 12.3.1 All other customers are billed as follow:-

12.3.1.1 An availability charge is payable on all properties, where a connection to the water reticulation network is possible, but not in use.

12.3.1.2 A basic charge is payable on all properties that are connected to the water network, regardless of whether any water is used.

12.3.1.3 Customers are billed for consumption at a fixed tariff per kilolitre based on the number of kilolitres consumed.

## 12.4 Special Arrangements

### 12.4.1 Where two or more dwellings/ flats/ offices are feeding from one main connection to a property, the customers are billed as follow:-

12.4.1.1 A basic charge is payable on all properties that are connected to the water network, regardless of whether any water is used.

12.4.1.2 Customers are billed for consumption based on the amount of water used by way of a step tariff per kilolitre usage as per 10.1.1.6.

## 12.5 Water Restrictions

### 12.5.1 The availability of bulk water resources will be monitored throughout the year by Council.

### 12.5.2 When so required, Council will take a resolution to implement water restrictions.

- 12.5.3 Any penalties payable on water consumption as a result of water restrictions will be implemented in the month following the Council resolution; regardless of the meter reading dates (water consumed prior to the resolution date may therefore also be subject to penalties).

## 12.6 Water Sundry Tariffs

- 12.6.1 All other water related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

# 13. REFUSE TARIFF POLICY

## 13.1 Refuse Removal Tariffs

- 13.1.1 The tariff levied by Thembelihle Local Municipality is based on the category of property as determined in the valuation roll.

- 13.1.2 The Council has determined the following categories for refuse removal:-

- 13.1.2.1 Residential (domestic customers) – maximum of one removal per week (black bag system).
- 13.1.2.2 Accommodation Establishments – maximum of one removal per week (black bag system).
- 13.1.2.3 Business/ Commercial/ Industrial – maximum of one removal per week.
- 13.1.2.4 Government/Banking Institutions - maximum of one removal per week.
- 13.1.2.5 Schools/Hotels - maximum of one removal per week.
- 13.1.2.6 Homes for the Aged – maximum of one removal per week.
- 13.1.2.7 Additional removals – More than the maximum removals as per 8.5.4.1 - 8.5.4.6.
- 13.1.2.8 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.
- 13.1.2.9 Garden refuse removals – maximum of one removal per week.
- 13.1.2.10 Special tariff arrangements determined and approved by Council from time to time for specific developments. In terms of the current arrangements, all developments with ten or more units that have created a central collection point for refuse will qualify for a reduced tariff as determined by Council on an annual basis.

- 13.1.3 Registered Indigents receive their refuse removal service subsidised every month, as determined by Council on an annual basis.

## 13.2 Refuse Removal Sundry Tariffs

- 13.2.1 All other refuse removal related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

## **14. SEWERAGE TARIFF POLICY**

### **14.1 Sewerage Systems (both waterborne and bucket systems)**

14.1.1 The following tariff structures were basically used for the determination of tariffs:-

14.1.1.1 The tariff levied for waterborne sewerage systems is based on the type of user as determined by the Municipality.

14.1.1.2 The tariff levied for the bucket system will consist of a basic charge.

14.1.1.3 Customers who are not connected to the waterborne sewerage network but who can reasonably be connected shall pay an availability tariff.

14.1.1.4 Special tariff arrangements determined and approved by Council from time to time for specific developments and/or informal settlements.

14.1.2 Registered Indigents receive their basic levy for sewerage service subsidised every month, as determined by Council on an annual basis.

### **14.2 Special Arrangements**

14.2.1 Where two or more dwellings/ flats/ offices are feeding from one main connection to a property, the customers are billed as follow:-

14.2.1.1 A basic charge is payable on all properties that are connected to the sewerage network based on the size of the smallest water connection (20mm).

### **14.3 Sewerage sundry tariffs**

14.3.1 All other sewerage related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

## **15. PROPERTY TAX POLICY**

### **15.1 Property Tax Tariffs**

15.1.1 Property rates are levied as determined by Council from time to time and is covered in the Property Rates Policy and Bylaw of the Thembelihle Municipality.

15.1.2 Any property that is under state control but is still registered in the name of the municipality shall be liable for property tax as provided for in the Property Tax Policy and Credit Control Policy and By-Law of the municipality;

### **15.2 Property Tax Sundry Tariffs**

15.2.1 All other property tax related services offered by the Council are charged at a tariff as determined by the Council annually during the budget process.

## **16. SUNDRY TARIFFS**

16.1 A variety of sundry tariffs are applied to recoup costs of sundry services to the public. All such tariffs are based on cost of supply, but individual tariffs may be set at:-

- 16.1.1 Subsidised levels;
  - 16.1.2 Levels reflecting actual cost; or
  - 16.1.3 Levels producing profits.
- 16.2 The level at which the Council sets a sundry service tariff, takes into account factors such as:-
- 16.2.1 Affordability;
  - 16.2.2 Socio-economic circumstances;
  - 16.2.3 Utilisation of amenities and resources;
  - 16.2.4 National and regional agreements and provisions; and
  - 16.2.5 Any other factors influencing such decisions.
- 16.3 Sundry tariffs and structures will be revised at least once a year, during the annual budgeting process.
- 16.4 The Mayor or a Councillor may motivate in writing to the Accounting Officer to reduce a Sundry Tariff under warranted and in exceptional instances to either reduce the Sundry Tariff or to levy no tariff at all. The Accounting Officer will then consider and take a decision on the matter. It must be borne in mind that where direct costs such as overtime are involved, an amount not lower than the additional direct costs should be considered.

## **17. IMPLEMENTATION AND REVIEW OF THIS POLICY**

- 17.1 This policy shall be implemented once approved by Council. All future tariff charges must be considered in accordance with this policy.
- 17.2 In terms of section 17(1)(e) of the Municipal Finance Management Act this policy must be reviewed on annual basis and the reviewed policy tabled to Council for approval as part of the budget process.

---

### **ANNEXURE 3: CUSTOMER CARE, CREDIT CONTROL AND REVENUE MANAGEMENT POLICY**

### **CUSTOMER CARE, CREDIT CONTROL AND REVENUE MANAGEMENT POLICY (Adopted by Council on XXX)**

---

#### **1. Definitions**

For the purposes of this policy, unless the context otherwise indicates –

**“account holder”** means any person who is due to receive a municipal account, which includes a user of a pre-paid electricity or water;

**“annual budget”** means the budget approved by the municipal council for any particular financial year, and includes any adjustments to such budget;

**“applicant”** means a person who applies for the supply of municipal services;

**“arrears”** means any amount that the consumer and or owner was billed for and which was not paid in full on the account payment due date and is therefore regarded as outstanding the day following the account payment due date;

**“billing”** means invoicing on a municipal account to an account holder of an amount or amounts payable for rates, metered services, other municipal charges, levies, fees, fines, taxes, or any other amount or amounts payable arising from any other liability or obligation;

**“consumer”** means the occupier of any premises to which the municipality has agreed to supply or is actually supplying municipal services, or if there is no occupier, then any person who has entered into a service agreement with the municipality for the supply of municipal services to such premises, or, if there be no such person, then the owner of the premises, and **“domestic consumer”** or **“domestic user”** of municipal services means the person or household to which municipal services are rendered in respect of residential property;

**“consumer price index”** means the consumer price index (CPIX) as determined and gazetted by the South Bureau of Statistics;

**“Council”** means the Council of the Thembelihle Municipality (or any service provider to the municipality);

**“credit control”** means all the functions relating to the collection of revenue;

**“customer management”** means the focusing on the account holder’s needs in a responsive and proactive way to encourage payment and thereby limiting the need for enforcement;

**“customer service centre”** means and serves as –

- (a) an office where an applicant may apply for services and enter into a service agreement with the municipality;
- (b) an office where an account holder may settle an account or may make pre-payment for services;
- (c) a credit screening point where the credit assessment of an applicant can be processed; or
- (d) an office where an account holder may query or verify accounts and metered consumption, and may communicate grievances, inquiries, recommendations and other relevant issues to the municipality and from where the response from the municipality can be conveyed to the account holder;

**“due date”** means the date specified as such on a municipal account despatched from the offices of the responsible officer for any charges payable and which is the last day allowed for the payment of such charges;

**“interest”** means an amount calculated at a rate determined by the municipality on a municipal account in arrears;

**“land reform beneficiary”**, in relation to a property, means a person who –

- (a) acquired the property through the provision of the Land and Assistance Act, 1993

(Act 126 of 1993);

(b) acquired the property through the provision of the Restitution of Land Rights Act, 1994 (Act 22 of 1994);

(c) holds the property subject to the Communal Property Associations Act, 1996 (Act 29 of 1996); or

(d) holds or acquires the property in terms of such other land tenure reform legislation as may be enacted;

**"local community"** or **"community"**, in relation to the municipality, means that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic, non-governmental, private sector or labour organisations or bodies involved in local affairs within the municipality, and visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality;

**"market value"** in relation to a property means the value of the property as determined in accordance with section 46 of the Property Rates Act, 2004 (Act 6 of 2004);

**"minor tariffs"** means all tariffs, charges, fees, rentals or fines levied or imposed by the municipality in respect of services, other than major services, supplied, and includes services incidental to the provision of the major services, but does not include tariffs for major services;

**"month"** means one of 12 months of a calendar year;

**"municipal account"** means an account rendered on which is billed an amount or amounts payable to the municipality for rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation;

**"municipal entity"** means –

(a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, and which operates under the ownership or control of one or more municipalities; or

(b) a service utility;

**"municipality"** means the Municipality of Thembelihle, and includes any political structure, political office bearer, Councillor, duly authorised agent thereof or any employee thereof acting in connection with this by-law by virtue of a power vested in the municipality and delegated or sub-delegated to such political structure, political office bearer, municipality or, agent or employee;

**"municipal manager"** means the person appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act 117 of 1998);

**"municipal property"** includes a property owned by a municipal entity;

**"multiple purposes"**, in relation to a property, means the use of a property for more than one purpose;

**“municipal services”** means those metered services and other municipal services for which payment is required by the municipality;

**“municipal tariff”** means a tariff for services which the municipality sets for the provision of a service to the local community, such as a tariff set for major services or a minor tariff, and includes a surcharge on such service;

**“occupier”** means any person who occupies any premises or part thereof without regard to the title under which the person occupies, and includes –

- (a) any person in actual occupation of those premises;
- (b) any person legally entitled to occupy those premises;
- (c) in the case of those premises being subdivided and let to lodgers or various tenants, the person receiving the rent payable by such lodgers or tenants whether on the person’s own account or as agent for any person entitled thereto or interested therein;
- (d) any person having the charge or management of those premises, and includes the agent of any such person when the person is absent from the Republic of South Africa or his or her whereabouts are unknown; and
- (e) the owner of those premises;

**“officer”** means an employee of the municipality or any other person who is specifically authorised thereto by the municipality to perform any act, function or duty in terms of, or exercise any power under this policy;

**“organ of state”** means an organ of state as defined in section 239 of the Constitution;

**“owner”**, in relation to –

- (a) a property referred to in paragraph (a) of the definition of “property”, means a person in whose name ownership of the property is registered;
- (b) a right referred to in paragraph (b) of the definition of “property”, means a person in whose name the right is registered;
- (c) a land tenure right referred to in paragraph (c) of the definition of “property”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; and
- (d) public service infrastructure referred to in paragraph (d) of the definition of “property”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “publicly controlled”,

however, the municipality may, for the purposes of the Property Rates Act, 2004 (Act 6 of 2004), regard as the owner of a property –

- (i) in the case of a property in a trust, but excluding state trust land, a trustee,;
- (ii) in the case of a property in a deceased estate, an executor or administrator;
- (iii) in the case of a property in an insolvent estate or in liquidation, a trustee or liquidator;

(iv) in the case of a property in the estate of a person under judicial management, a judicial manager;

(v) in the case of a property in the estate of a person under curatorship, a curator;

(vi) in the case of a property that is subject to a usufruct or other personal servitude, a person in whose name a usufruct or other personal servitude is registered;

(vii) in the case of a property that is registered in the name of the municipality and is leased by it, a lessee; and

(viii) in the case of a property sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of such buyer, a buyer;

**"permitted use"**, in relation to a property, means the limited purposes for which the property may be used in terms of any restrictions imposed by a condition of title, a provision of the municipality's town planning or land use scheme, or any legislation applicable to any specific property or properties, or any alleviation of any such restrictions;

**"person"** includes a legal person and an organ of state;

**"preferred customer"** means a person who may be granted special concessions by the municipality;

**"premises"** means any piece of land, the external surface boundaries of which are delineated on –

(a) a general plan or diagram registered in terms of Land Survey, Act of 1927 (Act 9 of 1927), or in terms of the Deeds Registry, Act of 1937 (Act 47 of 1937); or

(b) a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act 93 of 1986), which is situated within the area of jurisdiction of the municipality;

(c) and includes any other land and any building or structure above or below the surface of any land;

**"property"** means –

(a) immovable property registered in the name of a person, including in the case of a sectional title scheme a sectional title unit registered in the name of a person;

(b) a right registered against immovable property in the name of the person, but excluding a mortgage bond registered against the property;

(c) a land tenure right registered in the name of a person or granted to a person in terms of legislation, such as a "land reform beneficiary"; and

(d) public service infrastructure;

**"publicly controlled"** means owned by or otherwise under the control of an organ of state, including a public entity listed in the Public Finance Management Act, 1999 (Act 1 of 1999), a municipality, or a municipal entity;

**"public service infrastructure"** means publicly controlled infrastructure of the following kinds:

- (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;
- (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme servicing the public;
- (c) power stations, power sub-stations or power lines forming part of an electricity scheme serving the public;
- (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuel forming part of the scheme for transporting such fuels;
- (e) railway lines forming part of a national railway system;
- (f) communication towers, masts, exchanges and lines forming part of a communication system serving the public;
- (g) runways or aprons at national or provincial airports;
- (h) breakwaters, seawalls, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;
- (i) any other publicly controlled infrastructure as may be prescribed by law; and
- (j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i);

**“rate”** means a municipal rate on property as envisaged in section 229(1)(a) of the Constitution;

**“rateable property”** means property on which the municipality may in terms of section 2 of the Property Rates Act, 2004, levy a rate, but excludes property fully excluded from the levying of rates in terms of section 17 of that Act, but includes any rights registered against such property, with the exception of a mortgage bond;

**“ratepayer”** means a person who is liable to the municipality for the payment of rates on property in the municipality, any other tax, duty or levy imposed by the municipality, or fees for services provided either by the municipality or in terms of a service delivery agreement, or a combination of the above;

**“rebate”**, in relation to a rate payable on a property, means a discount granted in terms of section 15 of the Property Rates Act, 2004 on the amount of the rate payable on the property;

**“residential property”** means a property included in the valuation roll as residential in terms of section 48(2)(b) of the Property Rates Act, 2004;

**“revenue”** means all monies due to the municipality and to which the municipality has the right to exact and to enforce payment of, irrespective of the reason for or the origin of its factuality;

**“sectional title scheme”** means a scheme as defined in section 1 of the Sectional Titles Act, 1986 (Act 95 of 1986);

**“sectional title unit”** means a unit as defined in section 1 of the Sectional Titles Act, 1986 (Act 95 of 1986);

**“state trust land”** means land owned by the state and held in trust for persons communally inhabiting the land in terms of a traditional system of land tenure, over which land tenure rights have been registered or granted, or which is earmarked for disposal in terms of the Restitution of Land Rights, 1994 (Act 22 of 1994);

**“tampering”** means any unauthorised interference with the municipality’s supply, seals and metering equipment and “tamper” has a corresponding meaning;

**“target”** means realistic targets which may be set by the municipality ; and

**“tariffs for major services”** means tariffs set for the supply and consumption or usage of major services;

**“unreliable customer”** includes an account holder, who according to his or her payment record fails to settle his or her municipal account by the due date or who is in arrears with payments due to council or who tampers or interferes with metering equipment, seals or the supply of municipal services.

## **CHAPTER 1**

### **CUSTOMER CARE PRINCIPLES, OBJECTIVES AND IMPLEMENTATION, AND DIFFERENTIATION**

#### **2. Customer care principles, and objectives**

(1) The municipality aims –

- (a) to move progressively towards the social and economic upliftment of the community in harmony with its natural environment;
- (b) to provide basic services that are affordable to all its people, and specifically to the poor and disadvantaged, provided that, where applicable, service fees, rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable, arising from any other liability or obligation, are paid for;
- (c) to engage the active participation of the community in the municipality’s affairs, in particular in planning, service delivery and performance management;
- (d) to provide efficient, effective and transparent administration that conforms to constitutional principles;
- (e) to ensure that the municipality is financially and economically viable; and
- (f) to create a harmonious relationship between the municipality and the community through the acknowledgement of reciprocal rights and duties.

(2) The municipality by this policy, within the scope and spirit of the Constitution, the Local Government Municipal Systems Act, 2000 (Act 32 of 2000), and the Property Rates Act, 2004 (Act 6 of 2004) and any amendments thereto, gives effect to the principles underlying and expressed in these Acts, and therefore designs, regulates on and implements –

- (a) a customer care and management system which has as purpose –
  - (i) to create a positive and reciprocal relationship between the municipality and an account holder;
  - (ii) to establish mechanisms for an account holder to give feedback to the municipality regarding the quality of the services and the performance of the municipality;
  - (iii) to ensure that reasonable steps are taken to inform an account holder of the costs involved in service provision, the reasons for payment of service fees, and the manner in which monies raised from the services provided, are utilised;
  - (iv) to ensure, where the consumption of services has to be measured, that reasonable steps are taken to measure the consumption by individual account holders of services through accurate and verifiable metering systems;
  - (v) to ensure that an account holder receives regular and accurate accounts that indicate the basis for calculating the amounts due;
  - (vi) to provide accessible mechanisms for an account holder to query or verify a municipal account and metered consumption and appeal procedures which allow the account holder to receive prompt redress for inaccurate accounts;
  - (vii) to provide accessible mechanisms for dealing with complaints from an account holder, together with prompt replies and corrective action by the municipality, and to provide mechanisms to monitor the response time and efficiency of the municipal's actions; and
  - (viii) to provide for accessible pay points and other mechanisms for settling an account or for making pre-payments for services.
- (b) credit control and debt collection mechanisms and procedures which aim to ensure, subject to the Act and other legislation, that all money that is due and payable, from whatever source or cause, to the municipality, is collected; and
- (c) structures for tariffs and rates.

### **3. Municipal Manager responsible officer**

The Municipal Manager –

- (a) is responsible to the Council for the implementation and enforcement of the provisions of this policy;
- (b) must, for the purposes of paragraph (a) take the necessary steps to implement and enforce the provisions of this policy;
- (c) is accountable to the Council for the agreed performance targets as approved by the Council, and for these purposes must –

- (i) report to the Council on matters relating to this policy, including but not limited to
  - - (aa) the effectiveness of administrative mechanisms, resources processes and procedures to collect money that is due and payable to the municipality;
    - (bb) billing information, including the number of account holders, accruals, cash-flow, and customer management;
    - (cc) the satisfaction levels of account holders regarding services rendered; and
    - (dd) the effectiveness of the municipality's indigence relief measures; and
- (ii) at regular intervals meet with municipal officials with the aim of submitting a joint recommendation on the policy to the Council;
- (iii) where necessary, propose steps to the Council with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures;
- (iv) where necessary, propose to the Council actions and adjustments to correct deviations;
- (v) establish effective communication channels between the municipality and account holders with the aim of keeping account holders abreast of all decisions by the municipality that may affect them;
- (vi) establish customer service centres which are located in such communities as determined by the municipality;
- (vii) identify, appoint, and enter into agreements with suitable business concerns, institutions, organizations, establishments or para-statal institutions to serve as agencies for the purposes of this policy;
- (viii) convey to account holders information relating to the costs involved in service provision, the reasons for payment of service fees, and the manner in which monies raised from the services are utilised, and may where necessary, employ the services of local media to convey such information;
- (ix) expedite the processing of complaints or inquiries received from an account holder and must ensure that an account holder receives a response within a time determined by the municipality and must monitor the response time and efficiency in these instances;
- (x) in line with the latest technological and electronic advances, endeavour to make 24-hour electronic inquiry and payment facilities available to account holders;
- (xi) encourage and bear on account holders, where needed, to settle outstanding accounts within the ambit of this policy; and
- (xii) with the consent of an account holder, enter into an agreement with the account holder's employer to deduct from the salary or wages of the account holder –

- (aa) any outstanding amounts as may be agreed; or
- (bb) such regular monthly amounts as may be agreed, and may provide special incentives for employers to enter into such agreements, and employees to consent to such agreements.

#### **4. Differentiation between customers and exemption**

- (1) In accordance with the principles embodied in the Constitution and the provisions of sections 6 and 8 of the Property Rates Act, 2004, and sections 74(3) and 75 of the Local Government: Municipal Systems Act, 2000, the municipality differentiates between different categories of users and consumers in regard to the tariffs which it levies, categories of ratepayers, account holders, customers, debtors, taxes, services, service standards and other matters, however, such differentiation must at all times be reasonable, and must be fully disclosed in each annual budget.
- (2) The municipality may, in writing, exempt an account holder, category of account holders, or other persons from complying with a provision of this policy, subject to any conditions it may impose, if the application or operation of that provision would be unreasonable, however the municipality or its authorised agent may not grant exemption from any section of this policy that may result in –
  - (a) the wastage or excessive consumption of water or electricity;
  - (b) the evasion or avoidance of water or electricity restrictions;
  - (c) significant negative effects on public health, safety or the environment;
  - (d) the non-payment for services;
  - (e) the installation of pipes and fittings which are not acceptable in terms of the municipality's prescribed standard; or
  - (f) any Act, or any regulation made under it, not being complied with.
- (3) The municipality or its authorised agent may at any time after giving written notice of at least 30 days, withdraw any exemption given under subsection (2).

## **CHAPTER 2**

### **SUPPLY OF MUNICIPAL SERVICES**

#### ***Part 1***

#### ***Application for supply and service agreements, credit screening, deposits, billing and payment, and termination of service agreements***

- 5. Application for supply of municipal services, service agreements, credit control and encouragement to pay arrear accounts**
- (1) Any application for any supply of services to any premises must be made at the municipal offices at least four working days prior to the service being required and must

comply with the conditions determined by the Municipal Manager or his or her nominated officer .

- (2) After the commencement of this policy and subject to the provisions of section 31, only the owner of a property or his or her duly authorised agent on his or her behalf may apply for municipal services to be supplied to a property.
- (3) No services shall be supplied unless and until application has been made by the owner and a service agreement in the format prescribed by the municipality has been entered into and a deposit provided for in section 7 has been paid.
- (4) An application for a supply for a period of less than one year is regarded as an application for a temporary supply.
- (5) The following information must be included in the application form and disclosed by the applicant:
  - (i) Full name of applicant;
  - (ii) Postal address and fixed abode;
  - (iii) Identity number and a photo-copy of the identity documents of both husband and wife, and if a tenant also copies of the identity document of the owner is compulsory;
  - (iv) Marital status;
  - (v) Three recent references;
  - (vi) Vehicle registration number if any;
  - (vii) Name, telephone number and address of next of kin not residing with applicant;
  - (viii) Applicant's home, work and cellular phone numbers;
  - (ix) If a tenant, the owner or representative must sign the application form for approval of the services to be connected;
  - (x) A service deposit paid in advance on request and before the services can be connected;
  - (xi) The application forms must be completed in such a manner that it serves as an agreement with the Council of which a copy must be handed to the applicant;
  - (xii) The application forms must be filed for ease of future reference;
  - (xiii) If the applicant cannot read or write he/she should be assisted with the completion of the form and the agreement explained;
  - (xiv) A paragraph must be inserted whereby the owner will be held responsible for the debt if not paid by the tenant;
  - (xv) Previous address.
- (6) No Council member or official of the Municipality may be in arrears to the Municipality for rates and service charges for a period longer than 3 months. The Municipality may, after consultation with the specific Councillor or official, deduct any outstanding amounts from the Council member's allowance or official's salary after this period.
- (7) Upon application for services the following should be obtained from the applicant:-

- (i) photocopies of identity documents of both husband and wife and if the applicant is a tenant, copies of the owner's identity document are compulsory;
  - (ii) names and addresses of next of kin;
  - (iii) motor registration numbers;
  - (iv) the owner or representative of the owner has to sign the application form for approval of the services to be connected;
  - (v) the previous address should be stated for reference.
- (8) Where a service agreement with the municipality has been entered into by the consumer, water and electricity will be disconnected until such time as a service agreement has been signed and the applicable deposit paid;
- (9) All other business and industrial deposits will be reviewed annually during the month of September each year;
- (10) Where electricity and/or water supply have been disconnected erroneously a written apology will be dispatched within seven working days;
- (11) Where consumers fail to pay their water and electricity accounts by the due date, the following actions should be taken:-
- (i) Final notices may be delivered or posted after the due date, and the final notice will contain a notice that the client may arrange to pay the outstanding balance off in terms of the Credit Control Policy;
  - (ii) An Acknowledgement of Debt Agreement must be completed with all arrangements for paying off arrear amounts. Copies must be handed to the client and filed on the Debt Agreement file;
  - (iii) The Acknowledgement of Debt must be signed within 48 hours after the receipt of the final notice;
  - (iv) Debit orders must be completed for the monthly payment of the agreed amount or at least the current amount, as far as possible. If the arrangement is dishonored the full balance will immediately become payable, except in merit cases;
  - (v) Extension for the payment of arrears, together with the current accounts, should not exceed 36 months with first payment within 30 days of the date of agreement;
  - (vi) No interest will be charged on the arrear amount of such an agreement;
  - (vii) Only consumers with positive proof of identity or an authorized agent with a Power of Attorney will be allowed to complete an "Acknowledgement of Debt;"
  - (viii) When cheques are returned "Refer to Drawer" where an arrangement has been made, the full balance will immediately become payable. Electricity and/or water supply to such consumer will be disconnected until the full amount is paid in cash or per bank guaranteed cheque, except in merit cases;
  - (ix) No consumers will be allowed to enter into a second agreement if the first agreement was dishonored, except in special merit cases;
  - (x) Merit cases, where special circumstances prevail, must be treated individually and could, amongst others, include the following categories:-
    - (a) Unemployed persons;
    - (b) Deceased estates;
    - (c) Liquidated companies or CC's;
    - (d) Private persons under administration;
    - (e) Outstanding enquiries on accounts for example, unallocated payments, water leaks, journals, incorrect levies, etc.;

- (f) Pensioners;
- (g) Any other cases not mentioned which may be regarded as merit cases due to circumstances approved by the Accounting Officer/Chief Financial Officer.
- (xi) Extension for payments of arrears in respect of merit cases should not exceed 60 months (5 years) or any other period in the discretion of the Chief Financial Officer.
- (xii) With the first payment within 30 days of the date of the agreement.
  - (a) Only the Chief Financial Officer or the Manager: Financial Services may make extension and these cases must be supported by documentary proof. Previous payment records will be taken into consideration when a decision with regard to extensions is to be made.
- (xiii) When disconnections of electricity and/or water supply take place due to non payment, the consumer's deposit will be adjusted to the current minimum;
- (xiv) When services are illegally restored, criminal action will be taken if possible and an administrative penalty as per the budget minor tariffs shall be levied;
- (xv) Where water and electricity accounts remain outstanding or unpaid for more than 2 months, the account will be handed over to Debt Collectors for collection and/or legal action to the Attorneys and will be listed at the Information Trust Corporation. These clients will have to make further arrangements at the Attorney and/or Debt Collectors, for the arrears account. The current monthly accounts must be paid directly to the Municipality.
- (xvi) After a debtor has been handed over for collection, the case will not be withdrawn unless there was a mistake or oversight on the part of the municipality.
- (xvii) Where a property is provided with a pre-paid electricity and/or water meter and being in arrears, the municipality has the option to either refuse sales, disconnect services or allocate 20% of the purchases of electricity towards the arrears;
- (xviii) Where consumers fail to pay their accounts in respect of assessment rates, refuse, sewerage and sundry charges and availability charges, the following action should be taken:-
  - (a) To recover the outstanding debts in respect of annual levies, a 14 days notice must be served on the debtor during October each year informing the debtor that it is noted that he/she has not paid the accounts and reminding him/her of the due date the account is payable i.e. end of September;
  - (b) A final demand be served on the debtor early during October of each year informing him/her that he/she has 7 days to pay the account after which he/she will be handed over to the Attorneys for collection and that his/her name will be forwarded to the Information Trust Corporation for listing;
  - (c) The same notification procedures must be followed as applicable to other services for arrangements for paying off arrears;
  - (d) If a consumer is in arrears and an Acknowledgement of Debt Agreement has been signed and the household income does not exceed R2 520.00 per month, and the Debt Agreement is honoured, the levying of interest will be stopped to allow the

- consumer to eliminate the outstanding debt within 36 months or within a shorter period, as agreed by the consumer.
- (e) Where assessment rates, refuse, sewerage and sundry charges and availability charges remain outstanding or unpaid for more than 2 months, the account will be handed over to Debt Collectors for collection and/or legal action to the Attorneys and will be listed at the Information Trust Corporation. These clients will have to make further arrangements at the Attorney and/or Debt Collectors, for the arrears account. The current monthly accounts must be paid directly to the Municipality.
  - (f) After a debtor has been handed over for collection, the case will not be withdrawn unless there was a mistake or oversight on the part of the municipality.
  - (g) Where a property is provided with a pre-paid electricity and/or water meter and being in arrears, the municipality has the option to either refuse sales, disconnect services or allocate 20% of the purchases of electricity towards the arrears.
- (xix)** When a customer has made a formal arrangement with the Municipality to pay off arrears over a specific period of time and then not honor this agreement, the Accounting Officer/Chief Financial Officer may take a decision that will force the account holder to have a Pre-paid electricity meter installed at the account holder's cost. This decision must be communicated to the account holder in writing giving him/her the opportunity to either settle the account in full or have the pre-paid meter installed. The Accounting Officer/Chief Financial Officer may agree that the costs involved in installing the pre-paid electricity meter be paid off interest free over a period not exceeding 12 months.

## **6. Credit screening**

- (1) The municipality may require of an applicant to submit information and documentary proof so as to enable the municipality to bring its records up to date and to assess the creditworthiness of the applicant, and the municipality reserves the right to call for an affidavit.
- (2) For the purposes of determining the creditworthiness of an account holder the municipality may make use of the service of a credit bureau, or any other agency or means as the Municipal Manager or his or her nominated officer may determine.

## **7. Deposits**

- (1) On approval of the application and before the service is made available, the municipality may require the applicant –
  - (a) to deposit for municipal services with the municipality a sum of money equal to the estimated tariff or charge for an average month's services as determined by the municipality, excluding the cost of a service rendered by means of a pre-payment device used by the municipality;
  - (b) to agree to special conditions regarding payment of the municipal account, and monies so deposited with the municipality serve as security and working capital;

- (c) if a guarantee provided is revoked or matures, the account holder shall supply the municipality with a cash deposit failing which the provision of services shall be terminated and or restricted.
- (2) The Municipal Manager or his or her nominated officer reserves the right to review the sum of money deposited or the amount for which additional security is required.
- (3) Subject to subsection (5), an amount deposited with the municipality in terms of subsections (1) and (2) shall not be regarded as being in payment or part payment of an account due for services rendered.
- (4) The Municipal Manager or his or her nominated officer may, in respect of preferred customers, consider relaxation of the conditions pertaining to deposits as set out in subsections (1) and (2).
- (5) On termination of the supply of services, the amount of such deposit, as determined by the municipality, less any payments due to the municipality, must be refunded to an account holder.
- (6) No interest shall be payable by the municipality on the amount of a deposit held by the municipality in terms of this section.
- (7) A deposit held by the municipality will be forfeited in the event an account holder does not claim the deposit within 12 months from date of termination of services.

## **8. Billing and payment**

- (1) The account holder must pay all amounts due to the municipality as reflected in the municipal account, and the onus is on the account holder to verify the accuracy of such account.
- (2) An account holder must pay for metered services, and must pay the rates, other municipal charges, levies, fees, fines, interest, taxes or any other liability or obligation from the date of origin of such municipal charges until the written termination of the services.
- (3) An account holder –
  - (a) has one account number and must be rendered one account, on which the due date for settlement of the total amount owing is reflected, subject to the provisions of subsection (14); and
  - (b) must be rendered an account monthly in cycles of approximately 30 days.
- (4) Payment must be received on or before the close of business on the date as stipulated on the account. If payment is received and recorded in the Municipality's records as being paid in full on or before the 5<sup>th</sup> working day in the month following the statement date, a discount of 5% will be given on the current month's account.
- (5) Payment made via any of the service providers appointed by the municipality to receive payments on its behalf, should be made at least four working days before the due date

to enable the payment to be processed, and interest accrues should the municipality receive payment after the due date as per the account.

- (6) Where the account holder effects payment of an account via a service provider four working days or more before the due date and such service provider fails to furnish the municipality with the relevant payment details, such service provider may be held liable for all charges incurred by the municipality to recover an arrear amount erroneously reflected on the account of the account holder, as well as for interest charges.
- (7) The municipality may estimate the quantity of metered services supplied in respect of a period or periods within the interval between actual successive readings of the meters, and may render an account to an account holder for the quantity of metered services so estimated.
- (8) If an account holder is dissatisfied with an account rendered for metered services supplied by the municipality, such account holder may, prior to the due date stipulated therein object to the account, setting out reasons for such dissatisfaction.
- (9) Should any dispute arise as to the amount owing by an account holder, and subject to the provisions of section 102 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the account holder must notwithstanding such dispute proceed to make regular payments by the due date based on the calculation of the average municipal account for the preceding three months prior to the arising of the dispute and taking into account interest as well as the annual amendments of tariffs of the municipality.
- (10) An error or omission in any account or failure to render an account does not relieve the account holder of the obligation to pay by the due date.
- (11) If an account holder uses water, refuse removal services, sanitation services or electricity for a category of use other than that for which it is supplied by the municipality and is in consequence not charged for water refuse removal services, sanitation services or electricity so used, or is charged for the water, refuse removal services, sanitation services or electricity at a rate lower than that at which the account holder should be charged, the account holder is liable for the amount due to the municipality in accordance with the prescribed charges in respect of –
  - (a) the quantity of water or electricity the refuse removal services and sanitation services which the account holder has used and for which the account holder has not been charged; or
  - (b) the difference between the cost of the water or electricity used by the account holder at the rate at which the account holder has been charged and the cost of the water or electricity at the rate at which the account holder should have been charged.
- (12) An account holder is not entitled to a reduction of the amount payable for metered services which are lost due to a default in the meter, until such time as the provisions of section 14(8)(c) have been met.
- (13) The municipality may –
  - (a) consolidate any separate accounts of an account holder liable for payment to the Municipality;

- (b) credit any payment by an account holder against any debt of that account holder; and
  - (c) implement any of the debt collection and credit control measures provided for in this policy in relation to any arrears on any account of such a person.
- (14) The owner of property may enter into an agreement with the municipality in terms of which payment for rates is made annually, in which case payment must be made on or before the date determined by the municipality.
- (15) Monthly accounts shall be rendered to consumers for the amount due and payable, at the address last recorded with the municipality.
- (16) Accounts shall –
- (a) show –
    - (i) the consumption or estimated consumption or assumed consumption as determined for the measuring or consumption period;
    - (ii) the measuring or consumption period;
    - (iii) the applicable tariff;
    - (iv) the amount due in terms of the actual, estimated or assumed consumption;
    - (v) the amount due and payable for any other service rendered by the Municipality;
    - (vi) the amount in arrears, if any;
    - (vii) the interest payable on arrears, if any;
    - (viii) the final date for payment;
    - (ix) the methods, places or approved agents where payment may be made;
- (17) In the event an account holder relocates to another premise, the account holder must pay all outstanding service charges and rates and taxes, if rates and taxes are in arrears, before a service agreement is entered with the consumer at the other premises

## **9. Termination of service agreement**

- (1) Termination of the service agreement must be in writing to the other party of the intention to do so.
- (2) Where a property is sold, an owner may terminate a service agreement by giving the municipality not less than four working days' notice in writing.
- (3) The municipality may, by notice in writing of not less than 14 working days, advise an account holder of the termination of the agreement for a supply of municipal services if –
- (a) the account holder has not consumed any water or electricity during the preceding six months, or has vacated the property and has not made satisfactory arrangements for the continuation of the agreement;
  - (b) the account holder has committed a breach of this policy and has failed to rectify such breach; or
  - (c) the municipality cannot continue to supply the account holder with municipal services, as in terms of an arrangement with another authority supplying

municipal services such authority must in future supply municipal services to the account holder.

## **Part 2**

### ***Non-payment of municipal accounts***

#### **10. Arrangements for payments**

- (1) Should an account holder, before any of the steps have been taken in terms of section 12, not be able to pay the municipal account in full, the account holder may approach the municipality with the aim of making short-term arrangements to settle the account.
- (2) Should an account holder, after any of the steps have been taken in terms of section 12, experience difficulties in paying the municipal account, the account holder may approach the municipality with the aim of making arrangements to settle the account, and the account holder must enter into a written agreement with the municipality to repay to the municipality the outstanding and due amount under the conditions and on a basis determined by the Municipal Manager, or his or her nominated officer.
- (3) The written agreement has to be signed on behalf of the municipality by a duly authorised officer.
- (4) Only a consumer with positive proof of identity and address and authorised by the owner of the property in writing, shall be allowed to enter into an agreement for the payment of arrears in instalments.
- (5) The amount due and payable by a consumer constitutes a consolidated debt, and any payment made by a consumer of an amount less than the total amount due, shall be allocated in reduction of the consolidated debt –
  - (a) towards payment of the current account;
  - (b) towards payment of arrears;
  - (c) towards payment of interest; and
  - (d) towards costs incurred in taking relevant action to collect amounts due and payable.
- (6) In the instance where arrangements for payment have been made the municipality may
  - 
  - (a) review the deposit;
  - (b) require of an account holder to pay by means of a stop order or debit order;
  - (c) require of an account holder to convert to a pre-paid metering system;
  - (d) require any other form of security, including personal suretyship by the directors or members of a company, closed corporation, trust or body corporate, or;
  - (e) waive the interest on the arrear amount.
- (7) A consumer may be required to complete a debit order for the payment of arrears.

- (8) No agreement for the payment of arrears shall be longer than 36 months, unless the circumstances referred to in subsection (9) prevail.
- (9) The Municipality may, on an individual basis, allow a longer period than 36 months for the payment of arrears if special circumstances prevail, that in the opinion of the Municipality, warrants such an extension and which the consumer reasonably could not prevent or avoid, and documentary proof of such special circumstances must be furnished by the consumer on request by the Municipality.
- (10) The Municipality may, in exercising its discretion under subsection (5), have regard to a consumer's –
  - (b) credit record;
  - (c) consumption;
  - (d) level of service;
  - (e) previous breaches of agreements for the payment of arrears in instalments (if any); and
  - (f) any other relevant factors.
- (11) A copy of the agreement shall, on request, be made available by the Municipality to the consumer.
- (12) If a consumer fails to comply with an agreement for the payment of arrears in instalments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will immediately be due and payable, without further notice or correspondence.
- (13) If a consumer fails to comply with an agreement for the payment of arrears in instalments entered into after receipt of a discontinuation notice, access to services may be discontinued without further notice or correspondence in addition to any other actions taken against or that may be taken against such a consumer.
- (14) No consumer shall be allowed to enter into an agreement for the payment of arrears in instalments where that consumer failed to honour a previous agreement for the payment of arrears in instalments, entered into after the receipt of a discontinuation notice.
- (15) If a consumer owes the municipality more than R5 000.00 for a period in excess of 150 days, the Accounting Officer may after negotiations with the consumer write off 50% of the arrear amount that is in excess of 150 days.

## **11. Interest and penalties on overdue municipal accounts**

- (1) The municipality may, by resolution of its determined number of members, charge or recover interest and penalties at a determined interest rate in respect of any arrear amounts due and payable to the municipality.
- (2) Irrespective of the reason for non-payment, interest accrues if an account is unpaid.
- (3) Interest is calculated monthly according to the approved interest rate as determined in the annual budget, and a portion of a month is regarded as a month.

- (4) Interest or penalties are payable if payment is not received at an office of the municipality at close of business on the due date or if deposited by direct bank deposit at least two days prior to at the close of business on the due date.
- (5) In an effort to encourage payment no interest will be payable on the arrear amount when a consumer makes arrangements for payment of an arrear account.
- (6) Penalties of 10% on the current month's account will be charged on all services accounts that are in arrears and due to the municipality.

## **12. Debt collection mechanisms**

- (1) Where appropriate, the Municipality must at all times attempt to advise an account holder of an impending disconnection, or restriction of a supply, and the following mechanisms may be applied should an account holder fail to settle a municipal account by the due date:
  - (a) delivering or mailing of a final demand and explaining to the account holder the status of the account and the consequences of not paying or concluding an arrangement;
  - (b) informing the account holder verbally, in writing, telephonically, or by electronic means of the overdue amount and the impending disconnection or restriction of services;
  - (c) disconnecting or restricting the supply of municipal services to the premises and the serving of a disconnection or restriction notice on the account holder; or
  - (d) debiting the municipal account of the account holder with all relevant fees or penalties approved by the municipality.
- (2) Where the metered supply had been disconnected or restricted, and should the account holder still fail to pay the account, the premises may be revisited at regular intervals to ensure that the metered supply remains disconnected or restricted, and if it is found that the supply which had been disconnected or restricted previously has been restored –
  - (a) the municipality has the right to take whatever action is required in terms of the Council's Tariff Policy, and the account holder is responsible for the relevant fees or charges or damages caused;
  - (b) the municipality may refuse to supply services for a period determined by the municipality ;
  - (c) in the instance of the use of a pre-paid meter, the municipality may cease further vending of pre-paid services; and
  - (d) levy an administrative penalty as provided for in the budget.
- (3) Where a duly authorised officer of the municipality has visited the premises for the purpose of disconnecting or restricting the supply and was obstructed or prevented from effecting such disconnection or restriction, an amount equal to the prescribed fee for a reconnection becomes payable for each visit necessary for the purpose of such disconnection or restriction, subject to a maximum of two such visits during which disconnection or restriction could not be effected.

- (4) The municipality may use any one or more of the following mechanisms to secure full payment of any amounts owing to it:
- (a) Restricting or denying the sale of pre-paid services to an account holder, or disconnecting any pre-paid metering system of an account holder, who is in arrears with other services;
  - (b) requiring of the account holder to convert to another metering system;
  - (c) allocating a portion of any pre-paid payment to other debts;
  - (d) releasing debtor information to a credit bureau;
  - (e) publishing a list of account holders who remain in default;
  - (f) withholding payment of a grant-in-aid and subject to the provisions of section 33, excluding the account holder from the bid process;
  - (g) withholding payment on contracts for settlement of the municipal account;
  - (h) reviewing and altering the conditions of the service agreement;
  - (i) instituting legal proceedings for the recovery of the debt;
  - (j) classifying the account holder as an unreliable customer;
  - (k) using the services of external debt collection specialists or agencies;
  - (l) insisting on conversion to pre-paid metering at the cost of the account holder; or
  - (m) employing any other methods authorised by the municipality from time to time to recover arrear amounts.
- (5) The cost of collection, where applicable, is to the account holder's account.
- (6) Subject to the provisions of sections 28 and 29 of the Property Rates Act, 2004 (Act 6 of 2004), the right to deny, restrict, disconnect or terminate services due to the non-payment for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation prevails notwithstanding the fact that –
- (a) payment was intended for any specific service; or
  - (b) the person who entered into a service agreement for supply of services with the municipality and the owner are different entities or persons, as the case may be.

## **Part 3**

### **Metering equipment and metering of services**

#### **13. General provisions**

- (1) The municipality may introduce various metering equipment and may encourage an account holder to convert to a system which is preferred by the municipality when there are benefits for the municipality.
- (2) After commencement of this policy, and where possible and applicable, pre-paid meters must preferably be installed for all new connections.

#### **14. Metering equipment and measuring of consumption**

- (1) The municipality must, at the consumer's cost in the form of a direct charge or prescribed fee, provide, install and maintain appropriately rated metering equipment at the point of metering for measuring metered services.
- (2) The municipality reserves the right to meter the supply to a block of shops, flats, tenement-houses and similar buildings for the building as a whole, or for an individual unit, or for a group of units.
- (3) Where any building referred to in subsection (2) is metered by the municipality as a whole -
  - (a) the owner may, at own cost, provide and install appropriate sub-metering equipment for each shop, flat and tenement; or
  - (b) the municipality may require the installation, at the account holder's expense, of a meter for each unit of any premises in separate occupation for the purpose of determining the quantity of metered services supplied to each such unit.
- (4) Where the water or electricity used by consumers is charged at different tariff rates, the consumption must be metered separately for each rate.
- (5) Where sub-metering equipment is installed, accommodation separate from the municipality's metering equipment must be provided where appropriate.
- (6) Except in the case of pre-payment meters, the quantity of metered services used by a consumer during any metering period is ascertained by reading the appropriate meter or meters supplied and installed by the municipality at the beginning and end of such metering period, except where the metering equipment is found to be defective.
- (7) For the purpose of calculating the amount due and payable for the quantity of metered services consumed, the same amount of metered services is deemed to be consumed during every period of 24 hours between readings.
- (8) The following apply to the accuracy of metering:
  - (a) A meter is conclusively presumed to be registering accurately if its error, when tested in the manner prescribed in subsection (13), is found to be within the limits of error as provided for in the applicable standard specifications;

- (b) the municipality has the right to test its metering equipment, and if it is established by test or otherwise that such metering equipment is defective, the Municipality must –
    - (i) in case of a credit meter, adjust the account rendered; or
    - (ii) in the case of prepayment meters:
      - (aa) render an account where the meter has been under-registering; or
      - (bb) issue a free token where the meter has been over-registering; and
  - (c) the consumer is entitled to have the metering equipment tested by the municipality on payment of the prescribed fee, and if the metering equipment is found not to comply with the system accuracy requirements as provided for in the applicable standard specifications, an adjustment in accordance with the provisions of paragraph (b) and subsection (7) must be made and the aforesaid fee must be refunded.
- (9) No alterations, repairs, additions or connections of any description may be made on the supply side of the point of metering unless specifically approved in writing by the Municipal Manager or a duly authorised officer of the municipality.
- (10) Prior to the municipality making any upward adjustment to an account in terms of subsection (8)(b), the municipality must –
  - (a) notify the consumer in writing of the monetary value of the adjustment to be made and the reasons therefore;
  - (b) in such notification provide sufficient particulars to enable the consumer to submit representations thereon; and
  - (c) call upon the consumer in such notice to present it with reasons in writing, if any, within 21 days or such longer period as the municipality may permit, why the account should not be adjusted as notified, and should the consumer fail to provide any representation during the period the municipality is entitled to adjust the account as notified in paragraph (a).
- (11) The Municipality must consider any representation provided by the consumer in terms of subsection (10) and must, if satisfied that a case has been made out therefore, adjust the account appropriately.
- (12) If the Municipal Manager or a duly authorised officer of the municipality decides, after having considered the representation made by the consumer, that such representation does not establish a case warranting an amendment to the monetary value established in terms of subsection (15), the municipality is entitled to adjust the account as notified in terms of subsection (10)(a), and the consumer has the right to appeal the decision of the official in terms of section 62 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).
- (13) Meters are tested in the manner provided for in the applicable standard specifications.
- (14) When an adjustment is made to the consumption registered on a meter in terms of subsection (8)(b) or (8)(c), such adjustment is based either on the percentage error of

the meter as determined by the test referred to in subsection (13), or upon a calculation by the Municipality from consumption data in its possession, and where applicable, due allowance must be made, where possible, for seasonal or other variations which may affect consumption.

- (15) When an adjustment is made as contemplated in subsection (14), the adjustment may not exceed a period of six months preceding the date on which the metering equipment was found to be inaccurate, however the application of this subsection does not bar a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.
- (16) The municipality may dispense with the use of a meter in case of –
  - (a) an automatic sprinkler fire installation; and
  - (b) special circumstances at the Engineer's discretion.
- (17) The municipality may by notice -
  - (a) prohibit or restrict the consumption of metered services –
    - (i) for specified or non-specified purposes;
    - (ii) during specified hours of the day or on specified days or otherwise than during specified hours of the day or on specified days; and
    - (iii) in a specified or non-specified manner; and
  - (b) determine and impose –
    - (i) limits on the quantity of metered services which may be consumed over a specified period;
    - (ii) charges additional to those prescribed in respect of the supply of metered services in excess of a limit contemplated in subparagraph (i); and
    - (iii) a general surcharge on the prescribed charges in respect of the supply of metered services; and
  - (c) impose restrictions or prohibitions on the use or manner of use or disposition of an appliance by means of which metered services is used or consumed, or on the connection of such appliance.
- (18) The municipality may limit the application of the provisions of a notice contemplated by subsection (17) to specified areas and classes of account holders, premises and activities, and may provide for the Municipality to permit deviations and exemptions from, and the relaxation of any of the provisions on such grounds as he or she may deem fit.
- (19) To ensure compliance with a notice published in terms of subsection (17), the municipality may take, or by written notice require an account holder at the account holder's expense to take such measures, including the installation of measuring devices and devices for restricting the flow of metered services as may be necessary
- (20) In addition to the person by whose act or omission a contravention of or failure to comply with the terms of a notice published in terms of subsection (17) is actually committed, an

account holder in respect of the premises to which metered services are supplied is presumed also to have committed the contravention or to have so failed to comply, unless evidence is adduced that the account holder had taken all reasonable steps to prevent such a contravention or failure to comply by any other person, however, the fact that the account holder issued instructions to the other person shall not of itself be accepted as sufficient proof that the account holder took all such reasonable steps.

- (21) The provisions of this section also apply in respect of metered services supplied directly by the municipality to account holders outside its area of jurisdiction, notwithstanding anything to the contrary in the conditions governing such supply, unless otherwise specified in the notice published in terms of subsection (17).
- (22) If such action is necessary as a matter of urgency to prevent waste of metered services, refuse or sewerage, damage to property, danger to life, or pollution of water, the municipality may –
  - (a) without prior notice disconnect the supply of metered services to any premises; and
  - (b) enter upon such premises and do such emergency work, at the account holder's expense, as he or she may deem necessary, and in addition by written notice require the account holder to do within a specified period such further work as the municipality may deem necessary.
- (23) Before any metered or pre-paid metered supplies which have been disconnected or restricted for non-payment is restored, an account holder must pay all fees and charges as determined by the municipality.
- (24) The municipality may, at the written request of an account holder and on the dates requested by the account holder –
  - (a) disconnect the supply of metered services to the account holder's premises; and
  - (b) restore the supply, and the account holder must before the metered services is restored pay the prescribed charge for the disconnection and restoration of his or her supply of metered services.
- (25) After disconnection for non-payment of an account or a contravention of any provision of this policy, the prescribed fees must be paid before reconnection is made.
- (26) The following apply to the reading of credit meters:
  - (a) Unless otherwise prescribed, credit meters are normally read at intervals of approximately one month and the fixed or minimum charges due in terms of the tariff are assessed accordingly and the municipality is not obliged to effect any adjustments to such charges;
  - (b) if for any reason the credit meter cannot be read, the municipality may render an estimated account, and estimated consumption must be adjusted in a subsequent account in accordance with the consumption actually consumed;
  - (c) when an account holder vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly;

- (d) if a special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee; and
  - (e) if any calculating, reading or metering error is discovered in respect of any account rendered to a consumer –
    - (i) the error must be corrected in subsequent accounts;
    - (ii) any such correction applies only in respect of accounts for a period of six months preceding the date on which the error in the accounts was discovered,
    - (iii) the correction is based on the actual tariffs applicable during the period; and
    - (iv) the application of this section does not prevent a consumer from claiming back overpayment for any longer period where the consumer is able to prove the claim in the normal legal process.
- (27) The following apply to prepayment metering:
- (a) No refund of the amount tendered for the purchase of electricity or water credit is given at the point of sale after initiation of the process by which the prepayment meter token is produced;
  - (b) copies of previously issued tokens for the transfer of credit to the prepayment meter may be issued at the request of the consumer;
  - (c) when an account holder vacates any premises where a prepayment meter is installed, no refund for the credit remaining in the meter is made to the owner by the municipality;
  - (d) the municipality is not liable for the reinstatement of credit in a prepayment meter lost due to tampering with, or the incorrect use or the abuse of, prepayment meters or tokens;
  - (e) where an account holder is indebted to the municipality for any rates, metered services, other municipal charges, levies, fees, fines, interest, taxes or any other amount or amounts payable arising from any other liability or obligation, the municipality may deduct a percentage from the amount tendered to offset the amount owing to the municipality; and
  - (f) the municipality may appoint vendors for the sale of credit for prepayment meters and does not guarantee the continued operation of any vendor.

## **15. Resale of water or electricity**

- (1) No account holder who is supplied with metered services in terms of this policy may sell or supply water or electricity, supplied to the account holder's premises under an agreement with the municipality, to any other person or persons for such use upon any premises other than those in respect of which such agreement is made, or permit or suffer such resale or supply to be made, unless provision has been made therefore in a special agreement or unless prior permission from the municipality to do so has been obtained.

- (2) If the municipality grants the permission referred to in subsection (1), it may stipulate the maximum price at which the water or electricity may be sold and impose such other conditions as it may deem fit.
- (3) Permission referred to in subsection (1) may be withdrawn at any time.
- (4) Where water or electricity is resold for use on the same premises, such resale must be in accordance with the tariff and subject to such conditions as the municipality may decide.

#### **Part 4**

##### ***Indigence relief measures***

###### **16. Requirements for indigence relief**

- (1) The requirements for indigence relief are covered by the Council's Indigent Policy.

###### **17. Credit given**

- (1) Details of indigence relief measures are included in Council's Indigent Policy.

### **CHAPTER 3**

#### **18. TARIFFS**

The General principles of, and the Calculation of, the following tariffs are covered in the Council's Tariff Policy:

- Electricity
- Water
- Refuse removal
- Sewerage
- Minor tariffs

### **CHAPTER 4**

#### **19. RATES**

All details with regards Council's Rates and Taxes are covered in Council's Rates Policy.

### **CHAPTER 5**

#### **ENFORCEMENT**

##### **20. Municipality's powers to restrict or disconnect supply of services**

The municipality may, over and above the provisions of any other provisions in this policy restrict or disconnect the supply of water and electricity, or discontinue any other service to any premises if -

- (a) an administration order is granted in terms of section 74 of the Magistrates Court Act, 1944 (Act 37 of 1944), in respect of an account holder;
- (b) an account holder of any service fails to comply with a condition of supply imposed by the municipality;
- (c) an account holder obstructs the efficient supply of electricity, water or any other municipal services to another account holder;
- (d) an account holder supplies such municipal services to any person who is not entitled thereto or permits such service to continue;
- (e) an account holder causes a situation which is dangerous or a contravention of relevant legislation; or
- (f) an account holder is placed under provisional registration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act, 1936 (Act 24 of 1936).

## **21. Tampering, unauthorised connections and reconnections, and improper use**

- (1) The municipality reserves the right to monitor the service network for signs of tampering or irregularities.
- (2) No person may in any manner or for any reason whatsoever tamper or interfere with any meter or metering equipment or service connection or service protective device or supply mains or any other equipment of the municipality.
- (3) Where prima facie evidence exists of an account holder or any person having contravened subsection (2), the municipality has the right to disconnect the supply immediately and without prior notice to the account holder, and the account holder is liable for all fees and charges levied by the Municipality for such disconnection plus penalty as provided for in the annual budget.
- (4) Where an account holder or any person has contravened subsection (2) and such contravention has resulted in the meter recording less than the true consumption, the municipality has the right to recover from the account holder the full cost of his or her estimated consumption and the cost of repair or replacement of damaged metering devices.

## **22. Clearance certificate**

To effect the transfer of any immovable property from one registered owner to another, the Registrar of Deeds requires a clearance certificate, which certificate is obtainable from the municipal manager or a duly authorised officer of the municipality, upon payment of the prescribed fee and subject to the conditions of section 118 of the Municipal Systems Act, 2000 (Act 32 of 2000) being met.

### **23. Bids and grants-in-aid**

- (1) Each bid submitted to the municipality must be accompanied by a certificate from the municipality stating that the proposed supplier is not indebted to the municipality for any arrear amount reflected on the municipal account.
- (2) Should a proposed supplier be so indebted, the municipality may disallow the bid.
- (3) The municipality may only consider a bid once the proposed supplier has made satisfactory arrangements to pay the outstanding amount by means of instalments, or has settled all arrear amounts in full.
- (4) The municipal manager or a duly authorised officer of the municipality must in the condition of contract, provide for the deduction from moneys owed to the supplier in order to settle any outstanding amount.
- (5) Payment of any grants-in-aid approved by the municipality may be withheld pending payment of any outstanding municipal account, or pending an agreement between the municipality and the receiver of a grant-in-aid in which satisfactory arrangements have been made regarding the settlement of the outstanding municipal account.

### **24. Power of council to recover costs**

- (1) Where a bank dishonours any payment made to the municipality, the municipality may levy and recover all related costs and any administration fees against an account of the defaulting account holder and may disconnect or restrict the supplies to the premises of such account holder.
- (2) All legal costs, including attorney-and-client costs incurred in the recovery of amounts in arrears and payable in terms of the Magistrates Court Act, 1944 (Act 32 of 1944), must be levied against the arrears account of the account holder.
- (3) For any action taken in demanding payment from an account holder or reminding an account holder by means of telephone, fax, electronic mail, letter or otherwise that payments are due, a fee will be levied against the municipal account of the account holder in terms of the municipality's tariff provisions.

### **25. Prima facie evidence**

A certificate reflecting the amount due and payable to the municipality, signed by the municipal manager or a duly authorised officer of the municipality, is upon mere production thereof prima facie evidence of the indebtedness of the person mentioned in it.

### **26. Abandonment of bad debts, and full and final settlement of account**

- (1) Before terminating the debt collection procedure in any individual instance, the municipal manager must –
  - (a) ensure that all debt collection mechanisms as provided for in section 12 have been utilised where reasonable;
  - (b) maintain an audit trail; and

- (c) document the reasons for terminating the debt collection procedure, including the cost of enforcement and necessary financial adjustments.
- (2) The municipal manager or a duly authorised officer of the municipality may consider an offer for full and final settlement, and must, if in the interests of the municipality, in writing consent to the acceptance of a lesser amount as full and final settlement of the amount due and payable.
- (3) Where the exact amount due and payable to the municipality has not been paid in full, any lesser amount tendered to and accepted by any the municipality employee, except the municipal manager or the municipal manager's delegate, shall not be deemed to be in full and final settlement of such an amount.

## **27. Power of entry and inspection**

- (1) A duly authorised representative of the municipality may for any reason related to the implementation or enforcement of this policy at all reasonable times or in emergency at any time, enter premises, request information and carry out such inspection as deemed necessary, and may for purposes of installing or repairing any meter or service connection for reticulation disconnect, stop or restrict the provision of any service.
- (2) If the municipality considers it necessary for work to be performed to enable an officer to perform a function referred to in subsection (1) properly and effectively, it may –
  - (a) by written notice require an account holder to do, at own expense, specified work within a specified period; or
  - (b) if the situation is a matter of urgency, without prior notice do such work or cause it to be done at the expense of the account holder.
- (3) If the work referred to in subsection (2) is carried out for the sole purpose of establishing whether a contravention of this policy has been committed and no such contravention has taken place, the municipality must bear the expense connected therewith together with that of restoring the premises to their former condition.

## **28. Authentication and service of orders, notices and other documents**

- (1) An order, notice or other document requiring authentication by the municipality must be signed by the municipal manager or by a duly authorised officer of the municipality, such authority being conferred by resolution of the municipality or by a by-law or regulation, and when issued by the municipality in terms of this policy is deemed to be duly issued if it is signed by an officer authorised by the municipality.
- (2) Any notice or other document that is served on a person by a duly authorised officer of the municipality in terms of this policy, is regarded as having been served –
  - (a) when it has been delivered to that person personally;
  - (b) when it has been left at that person's place of residence or business in the Republic with a person apparently over the age of 16 years;
  - (c) when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an acknowledgement of the posting thereof from the postal service is obtained;

- (d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c);
  - (e) if that person's address and agent or representative in the Republic is unknown, when it has been placed in a conspicuous place on the property or premises, if any, to which it relates;
  - (f) in the event of a body corporate, when it has been delivered at the registered office of the business premises of such body corporate to a person apparently over the age of 16 years; or
  - (g) when it has been delivered, at the request of a person, to that person's electronic mail address.
- (3) When any notice or other document has to be served on the owner, an account holder or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, account holder or holder of the property or right in question, and it is not necessary to name that person.
- (4) Service of a copy is deemed to be service of the original.
- (5) Any legal process is effectively and sufficiently served on the municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.

## **CHAPTER 6**

### **MISCELLANEOUS PROVISIONS**

#### **29. Right of appeal**

- (1) A person whose rights are affected by a decision of a municipal officer may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.
- (2) The Municipal Manager must promptly submit the appeal to the appropriate appeal authority mentioned in subsection (4).
- (3) The appeal authority must consider the appeal and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.
- (4) When the appeal is against a decision taken by –
  - (a) a staff member other than the municipal manager, the municipal manager is the appeal authority;
  - (b) the municipal manager, the Mayor is the appeal authority; or
  - (c) a political structure or political officer bearer or a the councillor, a committee of councillors who were not involved in the decision and appointed by the municipality for this purpose is the appeal authority.

- (5) An appeal authority must commence with an appeal within six weeks and decide the appeal within a reasonable time.

### **30. Offences and penalties**

A person is guilty of an offence and liable upon conviction to a period not exceeding six months of community service or a fine or a combination of the aforementioned if he or she –

- (a) fails to give access required by an officer in terms of section 37;
- (b) obstructs or hinders an officer in the exercise of his or her powers or the performance of functions or duties under this policy;
- (c) uses or interferes with the municipality equipment for consumption of services supplied;
- (d) fails or refuses to give the municipality or an officer such information as the municipality or the officer may reasonably require for the purpose of exercising powers or functions under this policy, or gives the municipality or the officer false or misleading information knowing it to be false or misleading;
- (e) fails to comply with the terms of a notice served upon him or her in terms of this policy; or
- (f) tampers or breaks any seal on a meter or on any equipment belonging to the municipality, or for any reason determined by the municipal manager causes a meter not to register the services used properly, and the person shall furthermore be charged for usage of electricity or water, as the case may be.

### **31. Transitional provision**

- (1) A person who has been the owner of property within the Municipality before the commencement of this policy must within a period determined by the municipality, after the commencement of this policy, enter into a new service agreement with the municipality in terms of which such owner undertakes to be solely responsible for any municipal charges relating to each of such owner's properties failing which the supply of services to the property may be discontinued or restricted.

- (2) A lessee of a premises who consumes services provided by the Municipality before the commencement of this policy must within a period determined by the municipality, after the commencement of this policy, enter into a new service agreement with the municipality in terms of which such lessee undertakes to be solely responsible for any municipal charges relating to each of such properties leased, failing which the supply of services to the property may be discontinued or restricted.

### **32. Short title and commencement**

This Policy may be cited as the Thembelihle Municipality Customer Care, Credit Control and Revenue Management Policy, and commences on the date of approval and or amendment by Council.

**ANNEXURE 4 INDIGENT POLICY**

**INDIGENT POLICY**  
**(Adopted by council on XXX)**

---

**P R E A M B L E**

**1 DEFINITIONS**

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

**“Indigent”** This is a household which, due to a number of factors as set out in par. 4, is not financially capable of paying for the delivery of Basic Services – including poor households.

**“Household”** This includes all persons who are jointly living on a stand or site on a permanent basis and who receive water and/or electricity from one meter

**“authorised representative”** the person or instance legally appointed by the Council to act or to fulfil a duty on its behalf

**“basic service”** The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this Policy are restricted to electricity, refuse, sewerage and water services. It is also to be understood that the national norms will be used as guidelines for the determination of the amount/level of the services;

**“Chief Financial Officer”** An officer of the Municipality appointed as the Head of the Finance Department and includes any person:-

a) acting in such position; and

b) to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty;

**“Council” or “municipal council”** A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Thembelihle;

**“customer”** Any occupier of any property to which the has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property;

**“defaulter”** A person who owes money to the municipality in respect of a municipal account after the due date for payment has expired;

**“interest”** A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as determined by the Municipality.

**“Municipality”** The institution that is responsible for the collection of funds and the provision of services to the customers of Thembelihle;

**“municipal account” or “billing”** The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality, or any authorised and contracted service provider, in the format of, but not limited to

**“the Act”** The Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) as amended from time to time

## **2 OBJECTIVES OF POLICY**

2.1 The objectives of this Policy are to:-

- 2.1.1 Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
- 2.1.2 Determine the criteria for qualification of indigent and poor households;
- 2.1.3 Ensure that the criteria is applied correctly and fairly to all applicants;
- 2.1.4 Allow the Municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household ;
- 2.1.5 Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies.

## **3 PRINCIPLES OF POLICY**

- 3.1 The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for making of policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
- 3.2 All applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy;
- 3.3 Application forms, agreements and documents relating to this Policy must be available in Afrikaans and English. Officials designated to control and manage these documents must be able to explain the contents thereof in the three languages of the Northern Cape;
- 3.4 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

## **4 CRITERIA FOR INDIGENT HOUSEHOLDS**

- 4.1 To qualify as an indigent household, a household must comply with the following criteria:-
- 4.1.1 A household which has a verified total household gross monthly income of less than R3 750.00 per month.
  - 4.1.2 State pensioners living together will be classified as indigent and shall qualify for 100% subsidy subject to the completion of the relevant documentation.
  - 4.1.3 Must be a permanent resident of Thembelihle.
  - 4.1.4 Must be a South African citizen.
  - 4.1.5 Indigent households will be required to change from credit metering for electricity consumption to a pre-paid metering system which conversion costs will be funded from the equitable share, subject to the availability of funds.
  - 4.1.6 The municipality will not grant indigent support to any applicant who:
    - Owns more than one property whether inside or outside the municipal area;
    - Is letting, renting out or leasing his/her property to someone and derives an income from the renting letting or leasing.
  - 4.1.7 Must agree that the supply of water to the particular premises can be restricted by means of a flow control washer, or any other means as the Council may determine from time to time.

## **5 SUBSIDY**

The subsidies below will be funded from the “equitable share” contribution received from National Treasury. The subsidies will only be granted to qualifying households to the extent that the abovementioned funds are available for allocation. The subsidy amount allocated will be calculated and rounded off to the nearest lower R1, and will be paid into the consumer’s municipal account every month and be indicated as such on the account.

- 5.1 Indigent households will receive the following per month as qualified above:
- A subsidy of:
- 100% of the basic levy for electricity for one service point per month;
  - 100% of the basic levy for water per month;
  - In respect of water usage, a 100% subsidy up to 6 kl per household per month will apply; however, if consumption exceeds 6 kl per metering period (month)

- the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 6 kl.
  - In respect of electricity usage, a 100% subsidy up to 50 kWh per household per month will apply; however, if consumption exceeds 50 kWh per metering period (month), the consumer will be charged at normal tariffs for actual consumption on the quantity exceeding 50 kWh.
- 5.2 Indigent households who are living on un-serviced erven will receive the following per month as qualified above:  
A subsidy to the same value of 50 kWh electricity consisting of paraffin, matches and candles
- 5.3 In the event that the indigent support per month does not cover the full monthly billed service account, the applicant shall be liable to pay the excess, failing which the subsidy will be discontinued and services will be cut and or restricted.

## **6 APPLICATION FOR A SUBSIDY**

- 6.1 The account holder must apply in person at a customer care office of the Municipality on the prescribed application form.
- 6.2 The following items must accompany the application:-
- 6.2.1 The latest municipal account of the household;
- 6.2.2 Proof of the account holder's identity;
- 6.2.3 Proof of income of the account holder (e.g. a letter from his/her employer, salary slip/envelope, pension card, unemployment insurance fund (UIF) card, or a certificate to confirm registration as a job-seeker);
- 6.2.4 Proof of medical condition when requiring additional water and electricity.  
Should the account holder be unable to apply in person, due to medical reasons, his/her application may be certified by a commissioner of oaths, preacher/pastor of church or a community worker. The applicant must complete the sworn statement that forms part of the application form. Failure to do so will render the application invalid.
- 6.2.5 The applicant must fill out and sign an application form and provide the information required on the form.
- 6.2.6 All recipients of indigent support shall be required to re-apply for subsidy once a year. Such applications shall reach the Chief Financial Officer at least six months before the beginning of a financial year;

- 6.2.7 All applications for indigent support shall be screened by the respective Ward Councillor or Proportional Representative Councillor or the Mayor for any irregularities and shall sign all applications having passed the criteria.
- 6.2.8 A Councillor may not approve any applications, but make a recommendation to the Accounting Officer/CFO for approval for indigent support.

## **7 PUBLICATION OF NAMES OF QUALIFYING APPLICANTS**

The applicant must grant permission for the Municipality to publish his/her name and address on a list of account holders receiving subsidies in terms of this policy. Any person may inspect or scrutinize the list at a Customer Care Office and inform/notify the Municipality of any person who, according to their true circumstances, should not be in receipt of a subsidy as envisaged in this policy.

## **8 FALSE INFORMATION**

- 8.1 An applicant for indigent support will be required to submit a sworn affidavit certifying that the information supplied are true and correct.
- 8.2 A person who provides false information will be disqualified and be refused further participation in the subsidy scheme. In addition, he/she will be held liable for the immediate re-payment of any subsidies already granted and legal action, civil or criminal may be instituted against the guilty party(-ies).

## **9 LOCAL AUDIT (VERIFICATION)**

- 9.1 The Municipality reserves the right to send officials and/or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s). Such audit will be conducted on a continuous basis.
- 9.2 Failure by a beneficiary of indigent support to allow officials of the municipality access to the premises and information will result in the disqualification of the beneficiary from indigent support.

## **10 DURATION OF SUBSIDY**

- 10.1 Indigent support will be granted on a monthly basis, **except** where the beneficiary's circumstances have changed to the extent that he/she no longer qualifies or when the budgeted amount has been depleted.

- 10.2 If the municipality obtains information that indicates that the circumstances of the applicant have changed to such an extent that he/she no longer qualifies for the subsidy, the Municipality reserves the right to suspend the subsidy. If any of the criteria, as set out in this policy, is not complied with any more, there is an onus on the recipient of the subsidy to notify the Municipality within **seven (7) days** after such criteria is no longer complied with. If a recipient cannot write, a designated official must be informed in person.

## **11 CURRENT AMOUNTS IN ARREARS**

- 11.1 Applicants, whose municipal accounts show arrear amounts at the time of the application for a subsidy, will have to make arrangements with the Municipality for paying off the amounts in arrears.
- 11.2 Assistance may be considered for arrears for indigent households subject to the availability of funds.

## **12 REGISTER**

The Municipality will complete a register of households that qualify as “indigent”. The register will be continually updated and reconciled with the relevant subsidy account in the general ledger on a monthly

### **ANNEXURE 5: SUPPLY CHAIN MANAGEMENT POLICY**

#### **SUPPLY CHAIN MANAGEMENT POLICY (Adopted by Council on XXX)**

---

##### **Definitions**

1. In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Act has the same meaning as in the Act, and –

**“Accounting officer”** means the Accounting Officer referred to in section 60 of the Municipal Finance Management Act, No. 56 of 2003, and include a person acting as the accounting officer.

**“accredited”** means goods / services that are officially recognized, are generally accepted or having a guaranteed quality.

**“Accredited Agent”** means a provider who is authorized to deliver certain goods / services and can be trading in a specific area, however, an accredited agent is not a sole provider.

**“black people”;** is as generic term which means Africans, Coloureds and Indians as defined in the Broad-Based Black Empowerment Act (No. 53 of 2003);

**“competitive bid”** means a bid in terms of a competitive bidding process;

**“Council”;** means the Council of Thembelihle Local Municipality;

**“emergency procurement”** emergency cases are cases where immediate action is necessary in order to avoid dangerous or risky situation (life threatening) or misery such as floods or fires.

**“exceptional / urgent cases”** exceptional cases are cases where early delivery is of critical importance and the invitation of competitive bids is either impossible or impractical. However a lack of proper planning should not be constituted as an urgent case subject to the approval of the Accounting Officer. The nature of the urgency and the details of the justifiable procurement must be recorded.

**“Exempted Micro Enterprise”** [EME’s] Enterprises with an annual total revenue of R5 million or less [all taxes included] for goods and services. Sector charters have been developed for the Tourism and Construction industry where thresholds of Rand 2.5 million and Rand 1.5 million respectively have been established.

“final award”, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

**“formal written price quotation”** means quotations referred to in paragraph 12 (1) (c) of this Policy;

**“Fruitless expenditure”** - expenditure made in vain and could have been avoided if reasonable care taken;

**“in the service of the state”** means to be –

(a) a member of –

- (i) any municipal council;
- (ii) any provincial legislature; or
- (iii) the National Assembly or the National Council of Provinces;

- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial public entity;  
or

- (f) an employee of Parliament or a provincial legislature;

**“Irregular expenditure”** - expenditure incurred that is not in accordance with a requirement of a SCM policy of the municipality or by-laws giving effect to such a policy/e.g. Unsolicited bids

**“long term contract”** means a contract with a duration period exceeding one year;

**“list of accredited prospective providers”** means the list of accredited prospective providers which the municipality must keep in terms of paragraph 14 of this policy;

**“municipality”** means the Thembelihle Local Municipality.

**“municipal entity”** has the meaning assigned to it by section1 of the Municipal Systems Act, 2000.

**“other applicable legislation”** means any other legislation applicable to municipal supply chain management, including –

- (a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- (b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);  
and

- (c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

**“senior manager”** means an executive director appointed in terms of section 56 of the Municipal Systems Act, 2000 or an acting executive director appointed by the Accounting Officer.

**“sole provider”** means provider of specialized or exclusive goods / services who has a sole distribution / patent / manufacturing rights and copyrights.

**“Transversal contract”** means a contract arranged for more than one department/municipality or for more than one level of government eg. National and Provincial Government.

**“Treasury guidelines”** means any guidelines on supply chain management issued by the Minister in terms of section 168 of the Act;

**“the Act”** means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

**“the Regulations”** means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005;

**“written or verbal quotations”** means quotations referred to in paragraph 12(1) (b) of this Policy.

## **CHAPTER 1**

### **IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY**

#### **Supply chain management policy**

2. (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
- (a) gives effect to –
    - (i) section 217 of the Constitution; and
    - (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
  - (b) is fair, equitable, transparent, competitive and cost effective;
  - (c) complies with –
    - (i) the Regulations; and
    - (ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - (d) is consistent with other applicable legislation;
    - Broad Based Black Economic Empowerment Act [B-BBEEA]
    - Corruption Act, 1998 – anti-corruption measures and practices;
    - Competition Law and Regulations
    - Promotion of Administrative Justice Act, 2000
    - National Archives of South Africa Act, 1996
    - National Small Business Act
    - Construction Industry Development Board Act, 2000 [Act no 38 of 2000].
  - (e) does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
  - (f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This Policy applies when the municipality –
- (a) procures goods or services;
  - (b) disposes goods no longer needed;
  - (c) selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies;
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –

- (a) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
- (b) electricity from Eskom or another public entity, another municipality or a municipal entity.

(4) Presently the Municipality of Thembelihle experiences a shortage of skills and lack of capacity. It will thus not be possible to implement a fully fledged SCM unit. However, the municipality will assign specific tasks regarding SCM to place existing staff in the municipality. Those officials will all be issued with a clear job description, code of conduct and financial declarations. All aspects regarding SCM will be assigned to the present staff. As soon as the financial and staff capacity of the municipality increases, the present situation will be revised and every endeavor will be made to establish a fully fledged SCM unit in the near future.

#### **Amendment of the supply chain management policy**

- 3. (1) The accounting officer must –
  - (a) at least annually review the implementation of this Policy; and
  - (b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to the Council.
- (2) If the accounting officer submits proposed amendments to the Council that differs from the model policy issued by the National Treasury, the accounting officer must –
  - (a) ensure that such proposed amendments comply with the Regulations; and
  - (b) report any deviation from the model policy to the National Treasury and the relevant provincial treasury.
- (3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

#### **Delegation of supply chain management powers and duties**

- 4. (1) The Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –

- (a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
  - (i) Chapter 8 or 10 of the Act; and
  - (ii) this Policy;
- (b) to maximise administrative and operational efficiency in the implementation of this Policy;
- (c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
- (d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) Sections 79 and 106 of the Act apply to the sub delegation of powers and duties delegated to an accounting officer in terms of subparagraph (1).

(3) The accounting officer may not subdelegate any supply chain management powers or duties to a person who is not an official of Municipality or to a committee which is not exclusively composed of officials of the Municipality;

(4) This paragraph may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.

#### Sub delegations

5. (1) The accounting officer may in terms of section 79 or 106 of the Municipal Finance Management Act, and sections 4 and 5 of the SCM Regulations as well as the Delegation Register; sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy, but any such subdelegation must be consistent with subparagraph (2) of this paragraph and paragraph (4) of this Policy.

(2) The power to make a final award –

- (a) above R10 million (VAT included) may not be sub-delegated by the accounting officer;

- (b) above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub-delegated but only to –
  - (i) the chief financial officer;
  - (ii) a senior manager; or
  - (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
- (c) not exceeding R2 million (VAT included) may be sub-delegated but only to –
  - (i) the chief financial officer;
  - (ii) a senior manager;
  - (iii) a manager directly accountable to the chief financial officer or a senior manager; or
  - (iv) a bid adjudication committee.

(3) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with subparagraph (2) must within five days of the end of each month submit to the official referred to in subparagraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–

- (a) the amount of the award;
- (b) the name of the person to whom the award was made; and
- (c) the reason why the award was made to that person.

- (4) A written report referred to in subparagraph (3) must be submitted –
- (a) to the accounting officer, in the case of an award by –
    - (i) the chief financial officer;
    - (ii) a senior manager; or

- (iii) a bid adjudication committee of which the chief financial officer or a senior manager is a member; or
  - (b) to the chief financial officer or the senior manager responsible for the relevant bid, in the case of an award by –
    - (i) a manager referred to in subparagraph (2) (c) (iii); or
    - (ii) a bid adjudication committee of which the chief financial officer or a senior manager is not a member.
- (5)** Subparagraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6)** This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in paragraph 26 of this Policy.
- (7)** No supply chain management decision-making powers may be delegated to an advisor or consultant.

#### Oversight role of council

6. (1) The Council reserves its right to maintain oversight over the implementation of this Policy.
- (2) For the purposes of such oversight the accounting officer must –
- (a) (i) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and

(ii) whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to the council,

(3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Mayor.

(4) The reports must be made public in accordance with section 21A of the Municipal Systems Act.

### **Supply chain management unit**

7. (1) A supply chain management unit is hereby established to implement this Policy.

(2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

i) As stated before a fully fledged SCM unit and all functions regarding SCM will be assigned to present employed staff. This staff will handle these tasks additionally to their present tasks. Clear job descriptions will be issued regarding SCM functions, code of conduct, financial declarations, delegations, etc will also be issued. The municipality will establish a fully fledged SCM unit as soon as the capacity of the municipality increases to such an extent to justify such steps.

### **Training of supply chain management officials**

1. The Accounting Officer and all other officials of the municipality involved in the implementation of the SCM Policy must meet the prescribed competency levels in terms of the National Treasury Regulations.
2. The municipality must provide opportunities and resources for training of officials preferred to meet the relevant prescribed supply chain management competency levels.
3. That National and Provincial Treasury or any other accredited body may assist the municipality in the training of officials in meeting the relevant prescribed supply chain management competency levels.

## **CHAPTER 2**

### **SUPPLY CHAIN MANAGEMENT SYSTEM**

#### **Format of supply chain management system**

**9.** This Policy provides systems for –

- (i) demand management;
- (ii) acquisition management;
- (iii) logistics management;
- (iv) asset disposal management;
- (v) risk management; and
- (vi) performance management.
- (vii) asset management

Part 1: Demand management

#### **System of demand management**

**10.** (1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan.

(2) The demand management system must –

- (a) include timely planning and management processes to ensure that all goods and services required by the municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
- (b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
- (c) provide for the compilation of the required specifications to ensure that its needs are met.
- (d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

- (e) The municipality must compile a Procurement Plan containing all planned procurement for the financial year in respect of the procurement of goods, services and infrastructure projects which exceed R 200 000 [all applicable taxes included] per case as described in the Supply Chain Management Guide for Accounting Officers. The procurement plan must be finalized on the 1 July every year. The relevant information should preferably be furnished in the format contained in the Procurement Plan Template enclosed as Annexure A.
- (f) Also refer to National Treasury MFMA Circular 62.

### ***Part 2: Acquisition management***

#### **System of acquisition management**

- 11. (1)** The accounting officer must implement the system of acquisition management set out in this Part in order to ensure –
- (a) that goods and services are procured by the municipality in accordance with authorised processes only;
  - (b) that expenditure on goods and services is incurred in terms of an approved budget in terms of section 15 of the Act;
  - (c) that the threshold values for the different procurement processes are complied with;
  - (d) that bid documentation, evaluation and adjudication criteria, and general conditions of a contract, are as per National and Provincial prescripts [SCM Practice note 2, Explanatory notes: Revised quotation / bid forms]
  - (e) that the preference point system used in accordance with the Revised Preferential Procurement Policy Regulations of 7 December 2011 [utilizing B-BBEE status level verification certificates to claim preference points].
  - (f) that any Treasury guidelines on acquisition management are properly taken into account.
  - (g) Verification of bids in access of R10 million

#### **Prior to advertisement:**

## **Verification by the CFO**

The senior manager responsible for a vote must submit to the CFO:

- proof that budgetary provision exists for the procurement of the goods/services and / or infrastructure projects;
- any ancillary budgetary implications related to the bid;
- any multi -year budgetary implications;

## **Prior to the award of a bid**

Contracts above the value of R 10 million [all applicable taxes included] may only be awarded to the preferred bidder after the CFO has verified in writing that budgetary provision exists for the acquisition of the goods, infrastructure projects and /or services and that it is consistent with the Integrated Development Plan.

## **(h) Publication of awards in respect of advertised competitive bids [above the threshold value of R 200 000]**

The following information on the successful bids must be placed on the municipal website:

- Contract numbers and description of goods, services or infrastructure projects;
- Names of the successful bidders and the B-BBEE level of contribution claimed;
- Brand names and dates for completion of contracts.

## **(I) Functionality**

Adhere to the revised guidelines when functionality is included as a criterion in the evaluation of bids [National Treasury note issued in September 2010].

- Clear indication must be given in bid documents if bids will be evaluated on functionality.
- Evaluation criteria must be objective.
- The weight of each criterion, applicable values and the minimum qualifying score [for each bid on its own merit] must be indicated in the bid documents.

- Bidders failing to achieve the qualifying score for functionality must be disqualified.
- Bidders achieving the minimum qualifying score must be evaluated further in terms of points for price and B-BBEE status level contribution

### **Pre –evaluation**

- After closure of the bid pre-evaluation is done to ensure all bidders comply with the prescribed minimum norms and standards, NO TECHNICAL EVALUATION IS DONE AT THIS POINT.
- Bidders are then invited to prepare for a functionality presentation in line with the criteria set out in the bid document on a specific date and provided with a time slot.

### Appointment of a functionality committee

- The functionality committee is an ad-hoc committee appointed per bid.
- It should consist out of a cross functional team
- To be included as well:
  - o A SCM Practitioner;
  - o The end-user;
  - o Technical experts;
  - o Members of the Bid Evaluation- and Adjudication committees;
  - o CFO or a person with knowledge of the available budget from the CFO's office;
  - o Any other official deemed to be relevant;
  - o Provincial SCM official.
- Each member will complete a score sheet per bidder.
- The totals to be calculated by SCM, an average calculated and only the bidders who scored the minimum qualifying score will be evaluated further.
- Prior to the functionality committee meeting the end-user and the technical experts can sit with all the appointed committee members and peruse each bidder's proposal and draw-up a list of questions for clarification. Each member can add his / her own questions and during the presentations clarify or verify the information presented with relevant questions.

NOTE: There cannot be two [2] technical evaluation processes, only one done by a duly appointed functionality committee.

- Functionality evaluation forms part of the formal evaluation processes and is open for legal scrutiny and challenges –therefore it is a formal once off process

with proper procedures and score sheets to be completed per committee member for each bidder, duly signed off by the relevant committee member.

- Score sheets form part of a bid and year-end audit by the Auditor –General.
- Not following proper processes may lead to expenditure been classified as irregular by the Auditor-General's office.

(2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must make public the fact that such goods or services are procured otherwise than through the municipality's supply chain management system, including -

- (a) the kind of goods or services; and
- (b) the name of the supplier.

### **Range of procurement processes**

12. (1) Goods and services may only be procured by way of –

- (a) petty cash purchases, up to a transaction value of R2 000 per case (VAT included);
- (b) written or verbal quotations for procurements of a transaction value over R2 000 up to R10 000 (VAT included);
- (c) formal written price quotations for procurements of a transaction value over R10 000 up to R200 000 (VAT included); and
- (d) a competitive bidding process for–
  - (i) procurements above a transaction value of R200 000 (VAT included); and
  - (ii) the procurement of long term contracts.

(2) The accounting officer may, in writing-

- (a) lower, but not increase, the different threshold values specified in subparagraph (1); or
- (b) direct that –
  - (i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000;
  - (ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R10 000; or
  - (iii) a competitive bidding process be followed for any specific procurement of a transaction value lower than R200 000.

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

### **General preconditions for consideration of written quotations or bids**

13. A written quotation or bid may not be considered unless the provider who submitted the quotation or bid –

- (a) has furnished that provider's –
  - (i) full name;
  - (ii) identification number or company or other registration number; and
  - (iii) tax reference number and VAT registration number, if any; and
  - (iv) original valid tax clearance certificate from the South African Revenue Services.
  - (v) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three [3] months;

Bids/ quotations should only be awarded to suppliers who are not in arrears with their municipal rates and taxes. If the suppliers are not resident in this municipality, but offer their services from any other municipality, the same applies. It should be established if they are not in arrears in their own municipality.

- (vi) requirements for construction and engineering related bids should be awarded according to CIDB regulations;
- (vii) The CIDB Act requires that all projects need to be registered with the CIDB;
- (viii) Before an award is done to a contractor, the contractor's CIDB grading must be confirmed with the CIDB website;
- (ix) The CIDB grading designation is as follows:

Grading designation	Less than or equal to	
1	R	200 000
2	R	650 000
3	R	2 000 000
4	R	4 000 000
5	R	6 500 000
6	R	13 000 000
7	R	40 000 000
8	R	130 000 000
9	No Limit	

(b) has indicated –

- (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
- (ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholders or stakeholder is in the service of the state, or has been in the service of the state in the previous twelve months; or
- (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in subparagraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve months.

#### **Lists of accredited prospective providers**

**14.** (1) The accounting officer must –

- (a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
- (b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
- (c) specify the listing criteria for accredited prospective providers; and
  - (i) physical trading address
  - (ii) ownership
  - (iii) goods/services provide a valid updated tax clearance certificate from SARS.
  - (iv) reference of services provided
  - (v) municipal accounts up to date
- (d) In cases where there are not enough local suppliers, the municipality will also consult the District Municipality and utilize their database to identify more potential suppliers.
- (e) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.

(2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.

(3) The list must be compiled per commodity and per type of service.

### **Petty cash purchases**

15. The conditions for the procurement of goods by means of petty cash purchases referred to in paragraph 12 (1) (a) of this Policy, are as follows –

- (a) the approval of petty cash purchases must be pre-approved by the Accounting Officer, who may delegate this authority in writing to the CFO or a departmental head;
- (b) documentary prove must be submitted within 2 working days for all purchases made; and

- (b) a monthly reconciliation report from the CFO/each manager must be provided to the Accounting Officer, including –
  - (i) the total amount of petty cash purchases for that month; and
  - (ii) receipts and appropriate documents for each purchase.

### **Written or verbal quotations**

16. The procedures for the procurement of goods or services through written or verbal quotations are as follows:

- (a) quotations must be obtained from at least three different providers whose names appear on the list of accredited prospective providers of the municipality;
- (b) where no suitable accredited service providers are available from the list, quotations may be obtained from other possible providers not on the list, provided that such service providers meet the listing criteria set out in paragraph 14(1) (b) and (c) of this policy.
- (c) quotations must be approved on a rotation basis on the condition that the lowest quotation is still chosen.
- (d) to the extent feasible, providers must be requested to submit such quotations in writing;
- (e) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer. In such cases the municipality needs to investigate the possibility to utilize the database of the District municipality; and
- (f) the accounting officer must record the names of the potential providers requested to provide such quotations with their quoted prices; and
- (g) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider.

**Note:** In cases where it is not possible to obtain 3 quotations, the municipality will consult the database from the district municipality or from surrounding municipalities to enhance transparency.

- (h) The municipality will investigate and utilize various other options to advertise bids/quotations viz. community boards, the library, public buildings, police station, etc. This is to ensure that the municipality tried to obtain at least three quotations.
- (i) In cases where there are only a few suppliers for certain goods / services (such as vehicle repairs) the municipality will use these suppliers on a rotation basis, in

order to give everybody a chance. This practice will only be utilized in exceptional cases. As soon as more suppliers become available, such goods / services will be provided via the database.

### **Formal written price quotations**

**17. (1)** The conditions for the procurement of goods or services through formal written price quotations, are as follows:

- (a) quotations must be obtained in writing from at least three different providers whose names appear on the list of accredited prospective providers of the municipality. If it is not possible to obtain three quotations, the municipality should investigate to utilize the database of the district municipality.
- (b) quotations may be obtained from providers who are not listed, provided that such providers meet the listing criteria set out in paragraph 14(1) (b) and (c) of this Policy. These suppliers should then be listed before final payments of the supplier are effected.
- (c) if it is not possible to obtain at least three quotations, the reasons must be recorded and reported quarterly to the accounting officer or another official designated by the accounting officer. All efforts should be made to increase the supplier base (regular advertising to register suppliers to utilize the database of the district municipality).
- (d) the Head SCM must record the names of the potential providers and their written quotations.

**(2)** A designated official referred to in subparagraph (1) (c) must within three days of the end of each month report to the chief financial officer on any approvals given during that month by that official in terms of that subparagraph.

### **Procedures for procuring goods or services through written or verbal quotations and formal written price quotations**

**18.** The procedure for the procurement of goods or services through written or verbal quotations or formal written price quotations, is as follows:

- (a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;

- (b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of paragraph 17, be advertised for at least seven days on the website and an official notice board of the municipality.  
The revised PPPFA prescripts are applicable, e.g. Point system and Status level verification certificates [score cards] must be applied in the adjudication process. Please refer to paragraph 19 [3] for more detail.
- (c) offers received must be evaluated on a comparative basis taking into account unconditional discounts;
- (d) the accounting officer or chief financial officer must on a monthly basis be notified in writing of all written or verbal quotations and formal written price quotations accepted by an official acting in terms of a subdelegation;
- (e) offers below R30 000 (VAT included) must be awarded based on compliance to specifications and conditions of contract, ability and capability to deliver the goods and services and lowest price;
- (f) acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who's offer is according to specifications, has the ability to deliver and is compliant with all the other requirements and scored the highest points.
- (g) Minimum requirements for proper record keeping must be complied with.

### **Competitive bids**

**19.** (1) Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11(2) of this Policy.

(2) No requirement for goods or services above an estimated transaction value of R200 000 (VAT included), may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.

(3) The 80 / 20 principle is applicable; 80 points for price and 20 points for B-BBEE status level verification certificates. The 20 points will be standard as follows;

B-BBEE Status Level of Contributor	Number of points [80 / 20]	Number of points [90/10]
1	20	10
2	18	9
3	16	8
4	12	5
5	8	4
6	6	3
7	4	2
8	2	1
Non-compliant contributor	0	0

The points scored for price must be added to the points scored for B-BBEE status level of contribution to obtain the bidder's total points scored out of 100.

A bid must not be disqualified from the bidding process if the bidder does not submit a certificate substantiating the B-BBEE status level of contributor or is a non-compliant contributor. Such a bidder will score 0 out of a maximum of 10 or 20 points for B-BBEE status.

PLEASE NOTE: [a] The 80/20 point system is applicable from R30 000 [all taxes included] up to R1million [all taxes included]

[b] The 90/10 point system is applicable to bids invited exceeding R 1million [all taxes included]

This should not be interpreted that quotations can be invited for up to R 1million.

The threshold for the invitation of quotations did not change and it is still at R200 000.

(4). The specification committee will make proposals if functionality points need to be used and the evaluation committee will approve a variation in the point system for a specific bid.

(5). For construction procurements, the CIDB Act and Regulations are to be used for quotations/bids.

## **Process for competitive bidding**

**20.** The procedures for the following stages of a competitive bidding process are as follows:

- (a) Compilation of bidding documentation as detailed in paragraph 21;
- (b) Public invitation of bids as detailed in paragraph 22;
- (c) Site meetings or briefing sessions as detailed in paragraph 22;
- (d) Handling of bids submitted in response to public invitation as detailed in paragraph 23;
- (e) Evaluation of bids as detailed in paragraph 28;
- (f) Award of contracts as detailed in paragraph 29;
- (g) Administration of contracts
  - (i) After approval of a bid, the accounting officer and the bidder must enter into a written agreement.

### [h] Sub-contracting

A bidder must not be awarded the points claimed for B-BBEE status level contribution if it is indicated in the bid documents that such a bidder intends sub-contracting more than 25% of the contract value to any other enterprise that does not qualify for at least the same number of points that the bidder qualifies for , unless the intended sub-contractor is an EME that has the capacity to execute the sub-contract.

A contractor is not allowed to sub-contract more than 25% of the contract value to another enterprise that does not have an equal or higher B-BBEE status level, unless the intended sub-contractor is an EME. That has the capacity and ability to execute the sub-contract.

### [i] Evaluation of bids that scored equal points

In the event that two or more bids have scored equal total , the successful bid must be the one that scored the highest points for B-BBEE.

If two or more bids have equal points, including equal preference points for B-BBEE, the successful bid must be the one scoring the highest points for functionality, if functionality is part of the evaluation process.

In the event that two or more bids are equal in all respects, the award must be decided by drawing lots.

[j] Cancellation and re-invitation of bids

In the application of the 80/20 point system, if **all** bids received exceed R1 million, the bid must be cancelled. If one ore more of the acceptable bid[s] received are within the R 1 million threshold, all bids received must be evaluated on the 80/20 preference point system.

In the application of the 90/10 preference point system, if all bids received are equal or below R1million, the bid must be cancelled. If one ore more of the acceptable bid[s] received, are above the R1million threshold, all bids received must be evaluated on the 90/10 preference point system.

If a bid was cancelled as indicated above, the correct preference point system must be stipulated in the bid documents of the re-invited bid.

[k] Awarding of contracts

A contract must be awarded to the bidder who scored the highest total number of points in terms of the preference point system. Points scored must be rounded off to the nearest 2 decimal places.

In exceptional circumstances a contract may, on reasonable and justifiable grounds be awarded to a bidder that did not score the highest number of points. The reasons for such a decision must be approved and recorded for audit purposes and must be defendable in a court of law.

[l] Sale and letting of assets

The Preferential Procurement Regulations, 2011, are not applicable to the sale and letting of assets.

In instances where assets are sold or leased, by means of a bidding process, the bid must be awarded to the bidder with the highest price

(m) Proper record keeping

- (i) Original / legal copies of written contracts agreements should be kept in a secure place for reference purposes.

### **Bid documentation for competitive bids**

**21.** The criteria to which bid documentation for a competitive bidding process must comply, must –

- (a) take into account –
  - (i) the general conditions of contract and any special conditions of contract, if specified;
  - (ii) any Treasury guidelines on bid documentation; and
  - (iii) the requirements of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure;
- (b) include the preference points system to be used , goals as contemplated in the Preferential Procurement Regulations and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
- (c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
- (d) if the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish–
  - (i) if the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements –
    - (aa) for the past three years; or
    - (bb) since their establishment if established during the past three years;
  - (ii) a certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than 30 days;
  - (iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract;

- (iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- (e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law.
- (f) The Accounting Officer reserves the right to stipulate such a dispute to be settled utilizing a court of law within the Thembelihle Local Municipality boundaries or as close as possible to the municipal boundaries.

## **Public invitation for competitive bids**

- 22.** (1) The procedure for the invitation of competitive bids, is as follows:
- (a) Any invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the municipality or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin); and
  - (b) the information contained in a public advertisement, must include –
    - (i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to subparagraph (2) of this policy;
    - (ii) a statement that bids may only be submitted on the bid documentation provided by the municipality; and
    - (iii) date, time and venue of any proposed site meetings or briefing sessions.
- (2) The accounting officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- (3) Bids submitted must be sealed and the envelope must contain the bid number and closing date.

## **Procedure for handling, opening and recording of bids**

23. The procedures for the handling, opening and recording of bids, are as follows:
- (a) Bids–
    - (i) must be opened only in public;
    - (ii) must be opened at the same time and as soon as possible after the period for the submission of bids has expired; and
    - (iii) received after the closing time should be recorded, but not be considered and returned unopened immediately.
  - (b) Any bidder or member of the public has the right to request that the names of the bidders who submitted bids in time must be read out and only for construction bids, also each bidder's total bidding price must be read out as well.
  - (c) No information, except the provisions in subparagraph (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
  - (d) The accounting officer must –
    - (i) record in a register all bids received in time;
    - (ii) make the register available for public inspection; and
    - (iii) publish the entries in the register and the bid results on the website.

## **Negotiations with preferred bidders**

24. (1) The accounting officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
- (a) does not allow any preferred bidder a second or unfair opportunity;
  - (b) is not to the detriment of any other bidder; and
  - (c) does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

## **Two-stage bidding process**

25. (1) A two-stage bidding process is allowed for –
- (a) large complex projects;
  - (b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - (c) long term projects with a duration period exceeding three years.

(2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(3) In the second stage final technical proposals and priced bids should be invited.

### **Committee system for competitive bids**

**26.** (1) A committee system for competitive bids is hereby established, consisting of the following committees for each procurement or cluster of procurements as the accounting officer may determine:

- (a) a bid specification committee;
- (b) a bid evaluation committee; and
- (c) a bid adjudication committee;

(2) The accounting officer appoints the members of each committee, taking into account section 117 of the Act; and

(3) A neutral or independent observer, appointed by the accounting officer, must attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency processes. Such an observer must ensure that there is no conflict of interest and should not participate in any government procurement procurement processes.

(4) The committee system must be consistent with –

- (a) paragraph 27, 28 and 29 of this Policy; and
- (b) any other applicable legislation.

(5) The accounting officer may apply the committee system to formal written price quotations.

## **Bid specification committees**

27. (1) A bid specification committee must compile the specifications for each procurement of goods or services by the municipality.

(2) Specifications –

- (a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
- (b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organisation, or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- (c) must, where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;
- (d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification;
- (e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
- (f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations 2001; and
- (g) must be approved by the accounting officer prior to publication of the invitation for bids in terms of paragraph 22 of this Policy or may be delegated to the Specification Committee.

(3) A bid specification committee must be composed of one or more officials of the municipality, preferably the manager responsible for the function involved, and may, when appropriate, include external specialist advisors.

**(4)** No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

#### Bid evaluation committees

28. (1) A bid evaluation committee must –

(a) evaluate bids in accordance with –

- (i)** the specifications for a specific procurement; and
- (ii)** the points system set out in terms of paragraph 27(2)(f).

(b) evaluate each bidder's ability to execute the contract;

(c) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears, and;

(d) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

(2) A bid evaluation committee must as far as possible be composed of -

(a) officials from departments requiring the goods or services; and

(b) at least one supply chain management practitioner of the municipality.

#### Bid adjudication committees

29. (1) A bid adjudication committee must –

(a) consider the report and recommendations of the bid evaluation committee; and

(b) either –

- (i)** depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or

- (ii)** make another recommendation to the accounting officer how to proceed with the relevant procurement.

(2) A bid adjudication committee is appointed for two years and must consist of at least four senior managers of the municipality which must include –

- (a) the chief financial officer or, if the chief financial officer is not available, another manager in the budget and treasury office reporting directly to the chief financial officer and designated by the chief financial officer; and
- (b) at least one senior supply chain management practitioner who is an official of the municipality and any other 3 senior managers.
- (c) a technical expert in the relevant field who is an official and who requests the goods / services must be co-opted any way. Outside technical experts can also be co-opted , they must leave the meeting after advice has been given. Only standing committee members can be involved in final deliberation and recommendations or final approval.

(3) The accounting officer must appoint the chairperson of the committee. If the chairperson is absent from a meeting, the members of the committee who are present must elect one of them to preside at the meeting.

(4) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.

(5) (a) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee, the bid adjudication committee must prior to awarding the bid –

- (i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and;
- (ii) notify the accounting officer.

(b) The accounting officer may –

- (i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in paragraph (a); and

(ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

(6) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.

(7) The accounting officer must comply with section 114 of the Act within 10 working days.

(8) For the purposes of continuity and not to delay meetings the Accounting Officer may also appoint any official to temporarily replace members that are absent from meetings due to illness, leave, etc. The Accounting Officer may also decide whether or not such an official will have the same powers as committee members.

#### Procurement of banking services

30. (1) A contract for banking services –

- (a) must be procured through competitive bids;
- (b) must be consistent with section 7 or 85 of the Act; and
- (c) may not be for a period of more than five years at a time.

(2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.

(3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of paragraph 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

### **Procurement of IT related goods or services**

**31.** (1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.

(3) The accounting officer must notify SITA together with a motivation of the IT needs if –

- (a) the transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
- (b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).

(4) If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

### **Procurement of goods and services under contracts secured by other organs of state**

**32.** (1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –

- (a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
- (b) there is no reason to believe that such contract was not validly procured;
- (c) there are demonstrable discounts or benefits to do so; and
- (d) that other organ of state and the provider have consented to such procurement in writing.

(2) Subparagraphs (1)(c) and (d) do not apply if –

- (a) a municipal entity procures goods or services through a contract secured by its parent municipality; or

- (b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

### **Procurement of goods necessitating special safety arrangements**

33. (1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the accounting officer.

### Proudly SA Campaign

34. The municipality supports the Proudly SA Campaign to the extent that, all things being equal, refer to the Preferential Procurement Policy Framework Act and Regulations, preference is given to procuring local goods and services from:

- Firstly – suppliers and businesses within the municipality or district;
- Secondly – suppliers and businesses within the relevant province;
- Thirdly – suppliers and businesses within the Republic.

### **Appointment of consultants**

35. (1) The accounting officer may procure consulting services provided that any Treasury guidelines in respect of consulting services are taken into account when such procurements are made.

- (2) Consultancy services must be procured through competitive bids if
- (a) the value of the contract exceeds R200 000 (VAT included); or
- (b) the duration period of the contract exceeds one year.

- (3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
- (a) all consultancy services provided to an organ of state in the last five years; and

(b) any similar consultancy services provided to an organ of state in the last five years.

(4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the municipality.

## **Deviation from, and ratification of minor breaches of, procurement processes**

36. (1) The accounting officer may –

(a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

(2) The accounting officer must record the reasons for any deviations in terms of subparagraphs (1)(a) and (b) of this policy and report them to the next meeting of the council and include as a note to the annual financial statements.

(3) Subparagraph (2) does not apply to the procurement of goods and services contemplated in paragraph 11(2) of this policy.

(4) If an accredited agent must be used to perform maintenance services for equipment or vehicles as part of its guarantee or warranty or to obtain genuine parts, a list of such procurement must be supplied monthly to the Accounting Officer for

information purposes. Type of service, cost and reason for using one supplier only, must be stated.

### **Management of expansion or variation of orders against the original contract**

37. 1. Contracts may be expanded or varied by not more than 20% for construction related goods, services and /or infrastructure projects and 15% for all other goods and/or services of the original value of the contract. Furthermore, anything beyond the above mentioned thresholds must be reported to council. Any expansion or variation in excess of these thresholds must be dealt with in terms of the provisions of Section 116 (3) of the MFMA which will be regarded as an amendment of the contract.
2. The contents of this paragraph are not applicable to transversal contracts, facilitated by the relevant treasuries on behalf of municipalities and specific term contracts. The latter refers to orders placed as and when commodities are required and at the time of awarding contracts, the required quantities were unknown.

### **Local Content**

38. The Preferential Procurement Regulations, 2011 pertaining to the Preferential Procurement Policy Framework Act, Act No 5 OF 2000 which came into effect on 7 December 2011 make provision for the dti to designate sectors in line with national development and industrial policies for local production. To this end the dti has designated and determined the stipulated minimum thresholds for the following sectors:

- Bus Sector	70 - 80 %
- Pylons	100 %
- Rolling Stock	55 – 80 %
- Textiles	100%
- Processed Vegetables	80 %

- Set Top Boxes 30 %
  - Furniture Products from 65 to 100%

Note: Other designated sectors may be added by dti in future.

When inviting bids/quotations where local content is applicable, municipalities must indicate this in the bid advertisement. The MBD 6.2, SABS Specification SATS 1286:2011, and dti Guidance on the calculations of local content [available on dti's official website <http://www.thedti.gov.za>] should also be included in the bid documents/quotations.

The supplier has to proof that the product he offers does indeed comply with the stipulated thresholds. In order to do this there are three annexures which the supplier has to fill in and submit together with the bid document/quotation. These forms are also available on the dti Guidance on the calculations of Local content. It is advisable that municipalities attach the Guidance document to the bid documents/quotations in order to assist the suppliers to fill in the bid documents.

A two stage evaluation process may be followed

-First stage: calculate if the bidder adheres to the local content percentage requirement

-Second stage: Only the bidders who comply with the local content percentage requirement will be evaluated further.

## **Unsolicited bids**

**39.** (1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

(2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- (a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- (b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- (c) the person who made the bid is the sole provider of the product or service; and
- (d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

(3) If the accounting officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- (a) reasons as to why the bid should not be open to other competitors;
- (b) an explanation of the potential benefits if the unsolicited bid were accepted; and
- (c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

(4) The accounting officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.

(5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.

(6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.

(7) When considering the matter, the adjudication committee must take into account –

- (a) any comments submitted by the public; and
- (b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.

(8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.

(9) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within 30 days of the submission.

## **Combating of abuse of supply chain management system**

**40.** (1) The accounting officer must—

- (a) take all reasonable steps to prevent abuse of the supply chain management system;
- (b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
  - (i) take appropriate steps against such official or other role player; or
  - (ii) report any alleged criminal conduct to the South African Police Service;
- (c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
- (d) reject any bid from a bidder—
  - (i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the municipality or to any other municipality or municipal entity, are in arrears for more than 3 months or
  - (ii) who during the last five years has failed to perform satisfactorily on a previous contract with the municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
- (e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;

- (f) cancel a contract awarded to a person if –
  - (i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
  - (ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- (g) reject the bid of any bidder if that bidder or any of its directors –
  - (i) has abused the supply chain management system of the municipality or has committed any improper conduct in relation to such system;
  - (ii) has been convicted for fraud or corruption during the past five years;
  - (iii) has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - (iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).

(2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of subparagraphs (1)(b)(ii), (e) or (f) of this policy.

### *Part 3: Logistics, Disposal, Risk and Performance Management*

#### Logistics management

41. The accounting officer must establish and implement an effective system of logistics management, which must include -

- (a) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;

- (b) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- (c) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- (d) before payment is approved , certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- (e) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- (f) regular checking to ensure that all assets including official vehicles are properly managed, appropriately maintained and only used for official purposes; and
- (g) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.
- (h) the maintenance and administration of term contracts is co-managed with acquisition management for general goods / services.

#### Disposal management

**42.** (1) The criteria for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the Act, are as follows:

- (i) Council to approve items for and process to be followed for the disposal of any asset
- (2) Assets may be disposed of by –
  - (i) transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
  - (ii) transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
  - (iii) selling the asset; or
  - (iv) destroying the asset.

- (3) The accounting officer must ensure that –
- (a) immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise in accordance with section 14 of the MFMA;
  - (b) movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
  - (c) firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
  - (d) immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise;
  - (e) all fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
  - (f) where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
  - (g) in the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

#### Risk management

**43.** (1) SCM will develop its own risk management strategy that will be aligned with the organizations generic policy and updated annually.

- (2) Risk management must include –
- (a) the identification of risks on a case-by-case basis;
  - (b) the allocation of risks to the party best suited to manage such risks;
  - (c) acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;

- (d) the management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
- (e) the assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

## **Performance management**

**44.** The accounting officer must establish and implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved.

### *Part 4: Other matters*

## **Prohibition on awards to persons whose tax matters are not in order**

45. (1) No award above R15 000 may be made in terms of this Policy to a person whose tax matters have not been declared by the South African Revenue Service to be in order.

(2) Before making an award to a person the accounting officer must first check with SARS whether that person's tax matters are in order.

(3) If SARS does not respond within 7 days such person's tax matters may for purposes of subparagraph (1) be presumed to be in order.

## **Prohibition on awards to persons in the service of the state**

**46.** Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

(a) who is in the service of the state;

- (b) if that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) a person who is an advisor or consultant contracted with the municipality.

#### **Awards to close family members of persons in the service of the state**

**47.** The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- (a) the name of that person;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

#### Ethical standards

**48.** (1) A code of ethical standards as set out in subparagraph (2) is hereby established for officials and other role players in the supply chain management system of the municipality in order to promote –

- (a) mutual trust and respect; and
- (b) an environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) An official or other role player involved in the implementation of this Policy –

- (a) must treat all providers and potential providers equitably;
- (b) may not use his or her position for private gain or to improperly benefit another person;
- (c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- (d) notwithstanding subparagraph (2) (c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or

- granted to that person or to any close family member, partner or associate of that person;
- (e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the municipality;
  - (f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
  - (g) must be scrupulous in his or her use of property belonging to the municipality;
  - (h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
  - (i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
    - (i) any alleged fraud, corruption, favouritism or unfair conduct;
    - (ii) any alleged contravention of paragraph 47(1) of this Policy; or
    - (iii) any alleged breach of this code of ethical standards.

- (3) Declarations in terms of subparagraphs (2)(d) and (e) -
- (a) must be recorded in a register which the accounting officer must keep for this purpose;
  - (b) by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.

(4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.

- (5) A breach of the code of ethics must be dealt with as follows -
- (a) in the case of an employee, in terms of the disciplinary procedures of the municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
  - (b) in the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.

- (c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

### **Inducements, rewards, gifts and favours to municipalities, officials and other role players**

**49.** (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –

- (a) any inducement or reward to the municipality for or in connection with the award of a contract; or
- (b) any reward, gift, favour or hospitality to –
  - (i) any official; or
  - (ii) any other role player involved in the implementation of this Policy.

(2) The accounting officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

- (3) Subparagraph (1) does not apply to gifts less than R350 in value.

### **Sponsorships**

**50.** The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) a provider or prospective provider of goods or services; or
- (b) a recipient or prospective recipient of goods disposed or to be disposed.

### **Objections and complaints**

**51.** Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

Resolution of disputes, objections, complaints and queries

**52.** (1) The accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

- (a) to assist in the resolution of disputes between the municipality and other persons regarding -
  - (i) any decisions or actions taken in the implementation of the supply chain management system; or
  - (ii) any matter arising from a contract awarded in the course of the supply chain management system; or
- (b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.

- (3) The person appointed must –
  - (a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - (b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- (4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
  - (a) the dispute, objection, complaint or query is not resolved within 60 days; or

(b) no response is forthcoming within 60 days.

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

(6) This paragraph must not be read as affecting a person's rights to approach a court at any time.

Contracts providing for compensation based on turnover

53. If a service provider acts on behalf of a municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the municipality must stipulate –

- (a) a cap on the compensation payable to the service provider; and
- (d) that such compensation must be performance based.

#### **ANNEXURE 6: BANK & INVESTMENT POLICY**

#### **CASH MANAGEMENT AND INVESTMENT POLICY (Adopted by council on XXX)**

---

Adoption of cash management and investment policies

1. The cash management and investment policy to be established by a municipality in terms of section 13 (2) of the Act, must be –
  - a. adopted by the council of the municipality; and
  - b. consistent with these regulations.
2. The board of directors of a municipal entity must adopt a cash management and investment policy for the entity consistent with these regulations.
3. All investments made by a municipal entity, or by an investment manager on behalf of a municipality or entity, must be in accordance with the cash management and investment policy of the municipality or entity and these regulations.

## **PART 1. LEGAL COMPLIANCE**

The municipality shall at all times manage its banking arrangements and investments and conduct its cash management policy in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No. 56 of 2003.

A paraphrase of the provisions of this Act is attached as Annexure I to this policy.

## **PART 2. OBJECTIVE OF INVESTMENT POLICY**

The council of the municipality is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.

The council therefore has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account fully to the community in regard to such investments.

The investment policy of the municipality is therefore aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

## **PART 3. EFFECTIVE CASH MANAGEMENT**

### **3.1 Cash Collection**

All monies due to the municipality must be collected as soon as possible, either on or immediately after due date, and banked on a daily basis.

The respective responsibilities of the chief financial officer and other heads of departments in this regard is defined in a code of financial practice approved by the municipal manager and the chief financial officer, and this code of practice is attached as Annexure II to this policy.

The unremitting support of and commitment to the municipality's credit control policy, both by the council and the municipality's officials, is an integral part of proper cash collections, and by approving the present policy the council pledges itself to such support and commitment.

### **3.2 Payments to Creditors**

The chief financial officer shall ensure that all tenders and quotations invited by and contracts entered into by the municipality stipulate payment terms favorable to the municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the municipality. This rule shall be departed from only where there are financial incentives for the municipality to effect earlier payment, and any such departure shall be approved by the chief financial officer before any payment is made. (Delegated by Accounting Officer to CFO.)

In the case of small, micro and medium enterprises, where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. Any such early payment shall be approved by the chief financial officer before any payment is made. (Delegated by Accounting Officer to CFO.)

Notwithstanding the foregoing policy directives, the chief financial officer shall make full use of any extended terms of payment offered by suppliers and not settle any accounts earlier than such extended due date, except if the chief financial officer determines that there are financial incentives for the municipality to do so. (Delegated by Accounting Officer to CFO.)

The chief financial officer shall not ordinarily process payments, for accounts received, more than once in each calendar month, such processing to take place on or about the end of the month concerned. Wherever possible, payments shall be effected by means of electronic transfers rather than by cheques. (Delegated by Accounting Officer to CFO.)

Special payments to creditors shall only be made with the express approval of the chief financial officer, who shall be satisfied that there are compelling reasons for making such payments prior to the normal month end processing. (Delegated by Accounting Officer to CFO.)

### **3.3 Management of Inventory**

Each head of department shall ensure that such department's inventory levels do not exceed normal operational requirements in the case of items which are not readily available from suppliers, and emergency requirements in the case of items which are readily available from suppliers.

Each head of department shall periodically review the levels of inventory held, and shall ensure that any surplus items be made available to the chief financial officer for sale at a public auction or by other means of disposal, as provided for in the municipality's supply chain management policy.

### **3.4 Cash Management Programme**

The chief financial officer shall prepare an annual estimate of the municipality's cash flows divided into calendar months, and shall update this estimate on a monthly basis. The estimate shall indicate when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated, and when – if applicable – either long-term or short-term debt must be incurred. Heads of departments shall in this regard furnish the chief financial officer with all such information as is required, timeously and in the format indicated.

The chief financial officer shall report to the Municipal Manager and Mayor , as the case may be, on a monthly basis and to every ordinary council meeting the cash flow estimate or revised estimate for such month or reporting period respectively, together with the actual cash flows for the month or period concerned, and cumulatively to date, as well as the estimates or revised estimates of the cash flows for the remaining months of the financial

year, aggregated into quarters where appropriate. The cash flow estimates shall be divided into calendar months, and in reporting the chief financial officer shall provide comments or explanations in regard to any significant cash flow deviation in any calendar month forming part of such report. Such report shall also indicate any movements in respect of the municipality's investments, together with appropriate details of the investments concerned.

## PART 4. INVESTMENT ETHICS

The chief financial officer shall be responsible for investing the surplus revenues of the municipality, and shall manage such investments in consultation with the Municipal Manager, as the case may be, and in compliance with any policy directives formulated by the council and prescriptions made by the Minister of Finance.

In making such investments the chief financial officer, shall at all times have only the best considerations of the municipality in mind, and, except for the outcome of the consultation process with the Municipal Manager, as the case may be, shall not accede to any influence by or interference from councilors, investment agents or institutions or any other outside parties.

Neither the chief financial officer nor the Municipal Manager, Mayor or councilors or any officials, as the case may be, may accept any gift, other than an item having such negligible value that it cannot possibly be construed as anything other than a token of goodwill by the donor, from any investment agent or institution or any party with which the municipality has made or may potentially make an investment.

## PART 5. INVESTMENT PRINCIPLES

### 5.1 Limiting Exposure

Where large sums of money are available for investment the chief financial officer shall ensure that they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the municipality. The chief financial officer shall further ensure that, as far as it is practically and legally possible, the municipality's investments are so distributed that more than one investment category is covered (that is, call, money market and fixed deposits).

### 5.2 Risk and Return

Although the objective of the chief financial officer in making investments on behalf of the municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. Deposits shall be made only with registered deposit-taking institutions (see 5.4 below).

### 5.3 Payment of Commission

Every financial institution with which the municipality makes an investment must issue a certificate to the chief financial officer in regard to such investment, stating that such financial institution has not paid and will not pay any commission and has not and will not grant any other benefit to any party for obtaining such investment.

#### **5.4 Call Deposits and Fixed Deposits**

Before making any call or fixed deposits, the chief financial officer, shall obtain quotations from at least two financial institutions.

Given the volatility of the money market, the chief financial officer, shall, whenever necessary, request quotations telephonically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant (for example, whether the interest is payable monthly or only on maturity, and so forth).

Once the best investment terms have been identified, written confirmation of the telephonic quotation must be immediately obtained (by facsimile, e-mail or any other expedient means).

Any monies paid over to the investing institution in terms of the agreed investment (other than monies paid over in terms of part 7 below) shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the chief financial officer shall ensure that the municipality receives a properly documented receipt or certificate for such investment, issued by the institution concerned in the name of the municipality.

#### **5.5 Restriction on Tenure of Investments**

No investment with a tenure exceeding twelve months shall be made without the prior approval of the Municipal Manager , as the case may be.

#### **5.6 Permitted investments**

A municipality or municipal entity may invest funds only in any of the following investment types as may be appropriate to the anticipated future need for the funds:

- a. securities issued by the national government;
- b. listed corporate bonds with an investment grade rating from a national or internationally recognized credit rating agency;
- c. deposits with banks registered in terms of the Banks Act, 1990 ( Act No. 94 of 1990 );
- d. deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 ( Act No. 45 of 1984 );
- e. deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 ( Act No. 46 of 1984 );
- f. banker's acceptance certificates or negotiable certificates of deposit of bank registered in terms of the Banks Act, 1990;
- g. guaranteed endowment policies with the intention of establishing a sinking fund;
- h. repurchase agreements with banks registered in terms of the Banks Act, 1990;
- i. municipal bonds issued by a municipality; and
- j. any other investment type as the Minister identify by regulation in terms of section 168 of the Act, in consultation with the Financial Services Board.

#### **5.7 Investment denominated in foreign currencies prohibited**

A municipality or municipal entity may make an investment only if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

## **PART 6. CONTROL OVER INVESTMENTS**

The chief financial officer shall ensure that proper records are kept of all investments made by the municipality. Such records shall indicate the date on which the investment is made, the institution with which the monies are invested, the amount of the investment, the interest rate applicable, and the maturity date. If the investment is liquidated at a date other than the maturity date, such date shall be indicated.

The chief financial officer shall ensure that all interest and capital properly due to the municipality are timeously received, and shall take appropriate steps or cause such appropriate steps to be taken if interest or capital is not fully or timeously received.

The chief financial officer shall ensure that all investment documents and certificates are properly secured in a fireproof safe with segregated control over the access to such safe, or are otherwise lodged for safekeeping with the municipality's bankers or attorneys.

## **PART 7. OTHER EXTERNAL INVESTMENTS**

From time to time it may be in the best interests of the municipality to make longer-term investments in secure stock issued by the national government, Eskom or any other reputable parastatal or institution, or by another reputable municipality. In such cases the chief financial officer, must be guided by the best rates of interest pertaining to the specific type of investment, which the municipality requires, and to the best and most secure instrument available at the time.

No investment with a tenure exceeding twelve months shall be made without the prior approval of the Municipal Manager, and without guidance having been sought from the municipality's bankers or other credible investment advisers on the security and financial implications of the investment concerned.

## **PART 8. BANKING ARRANGEMENTS**

The Municipal Manager is responsible for the management of the municipality's bank accounts, but may delegate this function to the chief financial officer. The Municipal Manager and chief financial officer are authorized at all times to sign cheques and any other documentation associated with the management of such accounts. The municipal manager, in consultation with the chief financial officer, is authorized to appoint four or more additional signatories in respect of such accounts, and to amend such appointments from time to time. The list of current signatories shall be reported to the mayor and council, as the case may be, on a yearly basis, as part of the report dealing with the municipality's investments.

In compliance with the requirements of good governance, the municipal manager shall open a bank account for ordinary operating purposes, and shall further maintain a separate account for each of the following: the administration of the external finance fund and of the asset financing reserve (if these accounts are legally permissible). One or more separate accounts shall also be maintained for the following: capital receipts in the form of grants, donations or contributions from whatever source; trust funds; and the municipality's self-insurance reserve (if legally permissible). In determining the number of additional accounts to be maintained, the municipal manager, in consultation with the chief financial officer, shall have regard to the likely number of transactions affecting each of the accounts referred to. Unless there are compelling reasons to do otherwise, and the council expressly so directs, all the municipality's bank accounts shall be maintained with the

same banking institution to ensure pooling of balances for purposes of determining the interest payable to the municipality.

The municipal manager shall invite tenders for the placing of the municipality's bank accounts within six months after the election of each new council, such new banking arrangements to take effect from the first day of the ensuing financial year. However, such tenders may be invited at any earlier stage, if the municipal manager, in consultation with the chief financial officer, is of the opinion that the services offered by the municipality's current bankers are materially defective, or not cost-effective, and the council, as the case may be, agrees to the invitation of such tenders.

## **PART 9. RAISING OF DEBT**

The municipal manager is responsible for the raising of debt, but may delegate this function to the chief financial officer, who shall then manage this responsibility in consultation with the municipal manager. All debt shall be raised in strict compliance with the requirements of the Municipal Finance Management Act 2003, and only with the prior approval of the council.

Long-term debt shall be raised only to the extent that such debt is provided for as a source of necessary finance in the capital component of the approved annual budget or adjustments budget.

Short-term debt shall be raised only when it is unavoidable to do so in terms of cash requirements, whether for the capital or operating budgets or to settle any other obligations, and provided the need for such short-term debt, both as to extent and duration, is clearly indicated in the cash flow estimates prepared by the chief financial officer. Short-term debt shall be raised only to anticipate a certain long-term debt agreement or a certain inflow of operating revenues.

## **PART 10. INVESTMENTS FOR THE REDEMPTION OF LONG-TERM LIABILITIES**

In managing the municipality's investments, the chief financial officer shall ensure that, whenever a long-term (non-annuity) loan is raised by the municipality, an amount is invested at least annually equal to the principal sum divided by the period of the loan. Such investment shall be made against the bank account maintained for the external finance fund, and shall be accumulated and used only for the redemption of such loan on due date. The making of such investment shall be approved by the council at the time that the loan itself is approved. If the loan raised is not a fixed term loan, but an annuity loan, the chief financial officer shall ensure that sufficient resources are available in the account maintained for the external finance fund to repay the principal amounts due in respect of such loan on the respective due dates.

## **PART 11. INTEREST ON INVESTMENTS**

The interest accrued on all the municipality's investments shall, in compliance with the requirements of generally accepted municipal accounting practice, be recorded in the first instance in the municipality's operating account as ordinary operating revenues, and shall thereafter be appropriated, at the end of each month, to the fund or account in respect of which such investment was made.

In the case of the external finance fund, the chief financial officer may reduce the amount which must be annually invested to redeem any particular loan by the amount of interest so accrued.

If the accrual of interest to the external finance fund, unutilized capital receipts and trust funds results in a surplus standing to the account of any such funds, that is, an amount surplus to the resources required in respect of such funds or accounts, such surplus amount shall be credited by

the chief financial officer to the appropriation account and expropriated to the asset financing reserve.

## **PART 12. ANNEXURE I: PARAPHRASE OF REQUIREMENTS OF MUNICIPAL FINANCE MANAGEMENT ACT NO 56 OF 2003**

Note: In terms of Section 60(2) of the Municipal Systems Act No. 32 of 2000 the council may delegate the authority to take decisions on making investments on behalf of the municipality only to the executive mayor, executive committee or chief financial officer. The foregoing policy is based on the assumption that such authority has been delegated to the chief financial officer. The chief financial officer shall at all times manage the investments in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No 56 of 2003.

### ***SECTION 7: OPENING OF BANK ACCOUNTS***

Every municipality must open and maintain at least one bank account. This bank account must be in the name of the municipality, and all monies received by the municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

A municipality may not open a bank account:

- otherwise than in the name of the municipality;
- abroad; or
- with an institution not registered as a bank in terms of the Banks Act 1990.

Money may be withdrawn from the municipality's bank account only in accordance with the requirements of Section 11 of the present Act.

### ***SECTION 8: PRIMARY BANK ACCOUNT***

Every municipality must have a primary bank account, and if the municipality has only one bank account that account is its primary bank account. If the municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account.

The following must be paid into the municipality's primary account:

- all allocations to the municipality;
- all income received by the municipality on its investments;
- all income received by the municipality in connection with its interest in any municipal entity;
- all money collected by a municipal entity or other external mechanism on behalf of the municipality, and;
- any other monies as may be prescribed.

The accounting officer of the municipality must submit to the national treasury, the provincial treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account. If the municipality wants to change its primary bank account, it may do so only after the accounting officer has informed the national treasury and the Auditor-General, in writing, at least 30 days before making such change.

### ***SECTION 9: BANK ACCOUNT DETAILS TO BE SUBMITTED TO PROVINCIAL TREASURIES AND AUDITOR-GENERAL***

The accounting officer of the municipality must submit to the provincial treasury and to the Auditor-General, in writing, within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and annually, before the start of each financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

### ***SECTION 10: CONTROL OF MUNICIPAL BANK ACCOUNTS***

The accounting officer of the municipality must administer the entire municipality's bank accounts, is accountable to the municipal council for the municipality's bank accounts, and must enforce compliance with Sections 7, 8 and 11 of the present Act.

The accounting officer may delegate the duties referred to above only to the municipality's chief financial officer.

### ***SECTION 11: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS***

Only the accounting officer or the chief financial officer of the municipality (presumably where this power has been appropriately delegated), or any other senior financial official of the municipality acting on the written authority of the accounting officer, may withdraw money or authorize the withdrawal of money from any of the municipality's bank accounts. Such withdrawals may be made only to:

- defray expenditure appropriated in terms of an approved budget;
- defray expenditure authorized in terms of Section 26(4) (this Section deals with situations in which the budget was not timeously approved, and the province has been compelled to intervene);
- defray unforeseeable and unavoidable expenditure authorized in terms of Section 29(1);
- in the case of a bank account opened in terms of Section 12, make payments from the account in accordance with Section 12(4);
- pay over to a person or organ of state money received by the municipality on behalf of such person or organ of state, including money collected by the municipality on behalf of such person or organ of state by agreement, or any insurance or other payments received by the municipality for such person or organ of state;
- refund money incorrectly paid into a bank account;
- refund guarantees, sureties and security deposits;
- make investments for cash management purposes in accordance with Section 13;
- defray increased expenditure in terms of Section 31; or
- for such other purposes as may be prescribed.

(Note that Section 11(1) does not expressly provide for the withdrawal of monies to pay creditors, where the relevant obligations arose in terms of the previous budget; to repay loans; or to repay consumer deposits).

Any authorization to a senior financial official to withdraw money or to authorize the withdrawal of money from a bank account must be in accordance with the framework as may be prescribed. The accounting officer may not authorize any official other than the chief financial officer to withdraw money or to authorize the withdrawal of money from the municipality's primary bank account if the municipality has a primary bank account which is separate from its other bank accounts.

The accounting officer must, within 30 days after the end of each quarter, table in the council a consolidated report of all withdrawals made other than withdrawals to defray expenditure appropriated in terms of the approved budget, and submit a copy of the report to the relevant provincial treasury and the Auditor-General.

### ***SECTION 12: RELIEF, CHARITABLE, TRUST OR OTHER FUNDS***

No political structure or office bearer of the municipality may set up a relief, charitable, trust or other fund of whatever description, except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

A municipality may open a separate bank account in the name of the municipality for the purpose of such relief, charitable, trust or other fund. Money received by the municipality for the purpose of such fund must be paid into the bank account of the municipality, or if a separate bank account has been opened for such fund, into that account.

Money in a separate account opened for such fund may be withdrawn from the account without appropriation in terms of the approved budget, but only by or on the written authority of the accounting officer, acting in accordance with decisions of the council, and for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

### ***SECTION 13: CASH MANAGEMENT AND INVESTMENTS***

The Minister, acting with the concurrence of the cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments, and invest money not immediately required.

A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be so prescribed.

A bank where the municipality at the end of the financial year holds a bank account, or held a bank account at any time during such financial year, must, within 30 days after the end of such financial year, notify the Auditor-General, in writing, of such bank account, indicating the type and number of the account, and the opening and closing balances of that account in that financial year. The bank must also promptly disclose any information regarding the account when so requested by the national treasury or the Auditor-General.

A bank, insurance company or other financial institution which the end of the financial year holds, or at any time during the financial year held, an investment for the municipality, must, within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year. Such

institution must also promptly disclose any information regarding the investment when so requested by the national treasury or the Auditor-General.

### ***SECTION 17: CONTENTS OF ANNUAL BUDGETS AND SUPPORTING DOCUMENTS***

The following documents must accompany each tabled draft annual budget (inter alia):

- a projection of cash flows for the budget year by revenue source, divided into calendar months
- Particulars of the municipality's investments.

### ***SECTION 22: PUBLICATION OF ANNUAL BUDGETS***

The accounting officer must make public, immediately after a draft annual budget is tabled, the budget itself and all the prescribed supporting documents, and invite comments from the local community in connection with such budget (and documents).

### ***SECTION 36: NATIONAL AND PROVINCIAL ALLOCATIONS TO MUNICIPALITIES***

In order to provide predictability and certainty about the sources and levels of intergovernmental funding for municipalities, the accounting officer of a national or provincial department and the accounting authority of a national or provincial public entity responsible for the transfer of any proposed allocations to a municipality, must by no later than 20 January of each year notify the national treasury or the relevant provincial treasury as may be appropriate, of all proposed allocations and the projected amounts of those allocations to be transferred to each municipality during each of the next 3 financial years.

The Minister or the MEC responsible for finance in the province must, when tabling the national annual budget in the national assembly or the provincial annual budget in the provincial legislature, make public particulars of any allocations due to each municipality in terms of that budget, including the amount to be transferred to the municipality during each of the next 3 financial years.

### ***SECTION 37: PROMOTION OF CO-OPERATIVE GOVERNMENT BY MUNICIPALITIES***

In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the accounting officer of every municipality responsible for the transfer of any allocation to another municipality, must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 financial years.

### ***SECTION 45: SHORT-TERM DEBT***

The municipality may incur short-term debt only in accordance with and subject to the provisions of the present Act, and only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic income to be received within that financial year; or to bridge capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

The council may approve a short-term debt transaction individually, or may approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of

credit or bank overdraft facility, provided that the credit limit must be specified in the resolution of the council; the terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and if the council approves a credit facility limited to emergency use, the accounting officer must notify the council in writing as soon as practicable of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as the options available for repaying such debt.

The municipality must pay off short-term debt within the financial year in which it was incurred, and may not renew or refinance short-term debt, whether its own debt or that of any municipal entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

#### ***SECTION 46: LONG-TERM DEBT***

A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of the present Act, and only for the purpose of capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in Section 152 of the Constitution; or refinancing existing long-term debt subject to the requirements of Section 46(5).

#### ***SECTION 47: CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONG-TERM DEBT***

The municipality may incur debt only if the debt is denominated in rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

#### ***SECTION 64: REVENUE MANAGEMENT (EXCERPTS)***

The accounting officer of the municipality is responsible for the management of the revenue of the municipality.

The accounting officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the present Act into the municipality's primary and other bank accounts.

The accounting officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on at least a weekly basis.

The accounting officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a weekly basis, and that such funds are not used for purposes of the municipality.

#### ***SECTION 65: EXPENDITURE MANAGEMENT (EXCERPTS)***

The accounting officer of the municipality is responsible for the management of the expenditure of the municipality.

The accounting officer must take all reasonable steps to ensure, among other things, that payments made by the municipality are made direct to the person to whom they are due, unless agreed otherwise for reasons as may be prescribed, and either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit.

The accounting officer must also ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

The accounting officer must further ensure that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.

## **ART 13: ANNEXURE II: CODE OF PRACTICE IN REGARD TO PAYMENTS, REVENUE COLLECTION AND STORES**

### **1. STORES ADMINISTRATION**

The chief financial officer shall be responsible for the proper administration of all stores. If sub-stores are established under the control of any head of department, such head of department shall be similarly responsible for the proper administration of such sub-store, and in doing so shall comply with the stock level policies as determined from time to time by the chief financial officer, acting in consultation with the head of department concerned. No sub-store may be established without the prior written consent of the chief financial officer.

### **2. CONTRACTS: MANAGEMENT OF**

Within such general buying and related procedures as the chief financial officer shall from time to time determine, and further within the confines of any relevant legislation and of such rules and procedures as may be determined by the council, as the case may be:

- all buying contracts shall be administered by the chief financial officer, and all payments relating to such contracts shall be authorized by the chief financial officer or the head of department concerned; and
- all other contracts, including building, engineering and other civil contracts shall be administered by the head of department concerned, and all payments relating to such contracts shall be authorized by such head of department in accordance with the provisions of Section 3 below. The head of department concerned shall ensure that all payment certificates in regard to contracts are properly examined and are correct in all respects - before being submitted to the chief financial officer for payment.

### **3. PAYMENTS**

- 3.1 All payments, other than petty cash disbursements, shall be made through the municipality's bank account(s).
- 3.2 The chief financial officer shall draw all cheques on this account, and shall, in consultation with the municipal manager and with due regard to the council's policy on banking and investments, determine the rules and procedures relating to the signing of cheques, and from time to time jointly with the municipal manager decide on appropriate signatories.

3.3 All requests for payments of whatever nature shall be submitted on payment vouchers, the format of which shall be determined by the chief financial officer. Such vouchers shall

be authorized in terms of such rules and procedures as are determined from time to time by the chief financial officer.

- 3.4 The maximum amount and nature of petty disbursements, where not covered by the general buying procedures referred to in Section 2, shall be generally determined from time to time by the chief financial officer. No cash float shall be operated without the authority of the chief financial officer, who may prescribe such procedures relevant to the management of such float as are considered necessary.
- 3.5 The chief financial officer shall be responsible for the payment of all salaries and remuneration benefits to employees and councilors, and for the determination of the payment system to be used.

4. **REVENUE AND CASH COLLECTION**

- 4.1 Every head of department shall be responsible for the collection of all moneys falling within the ambit and area of his or her designated functions.
- 4.2 The chief financial officer shall ensure that all revenues are properly accounted for.
- 4.3 The collection of all arrear revenues and the control of arrear accounts shall be co-coordinated by the chief financial officer in terms of any policies determined by the council. If it is clear that any revenues are not recovered or likely to be recovered after the necessary steps have been taken, the chief financial officer shall report the matter adequately and timeously to the accounting officer and council.
- 4.4 The chief financial officer shall ensure that adequate provision is maintained to cover the writing off of irrecoverable revenues, having due regard to the council's policy on rates and tariffs.

5. **BANKING OF RECEIPTS**

- 5.1 Guidelines and procedures for the banking of cheques and other receipts shall, if necessary, be determined from time to time by the chief financial officer.
- 5.2 Where applicable, every head of department shall ensure that all revenues are banked daily with the municipality's banker(s), or less frequently if so approved by the chief financial officer.

## **ANNEXURE 7: PRINCIPLES AND POLICY ON BUDGET VIREMENTS**

### **THEMBELIHLLE LOCAL MUNICIPALITY PRINCIPLES AND POLICY ON BUDGET VIREMENTS**

#### **1. DEFINITIONS**

1. **“Accounting officer”** The municipal manager of a municipality is the accounting officer of the municipality in terms of section 60 of the MFMA
2. **“Approved budget”** means an annual budget approved by a municipal council.
3. **“Budget-related policy”** means a policy of a municipality affecting or affected by the annual budget of the municipality
4. **“Chief financial officer”** means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the chief financial officer.
5. **“Capital Budget”** This is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods
6. **“Council”** means the council of a municipality referred to in section 18 of the Municipal Structures Act.
7. **“Financial year”** means a 12-month year ending on 30 June.
8. **“Line Item”** an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures **[See annexure “B” for current item structure]**
9. **“Operating Budget”** The Town's financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenue used to finance them.
10. **“Ring Fenced”** an exclusive combination of line items grouped for specific purposes for instance salaries and wages.
11. **“Service delivery and budget implementation plan”** means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget.
12. **“Virement”** is the process of transferring an approved budget allocation from one operating line item or capital project to another, with the approval of the relevant Manager. To enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.

- 13.** “**Vote**” means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. [See annexure “A” for current Vote structure]

## **2. ABBREVIATIONS**

**CFO** – Chief Financial Officer

**IDP** – Integrated Development Plan

**MFMA** – Municipal Finance Management Act No. 56 of 2003

**SDBIP** - Service delivery and budget implementation plan

**CM** – Council Minute/s

## **3. OBJECTIVE OF THE POLICY**

To allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings, etc. as they arise to accelerate service delivery in a financially responsible manner.

## **4. VIREMENT CLARIFICATION**

Virement is the process of transferring budgeted funds from one line item number to another, with the approval of the relevant Manager and CFO, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

## **5. FINANCIAL RESPONSIBILITIES**

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and/or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Section 100 MFMA)

The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a department or activity to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 102.

## **6. VIREMENT RESTRCITONS**

- a. No funds may be viremented between votes (GFS Classifications) without approval of both vote holders and the Chief Financial Officer.
- b. Virements may not exceed a maximum of 7.50 % of the total approved operating expenditure budget
- c. A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years. (section 19 and 21 MFMA)
- d. Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustments budget to the Council with altered outputs and measurements for approval. (MFMA Circular 13 page 3 paragraph 3)
- e. No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Council (e.g. expenditure such as entering into agreements into lease or rental agreements such as vehicles, photo copiers or fax machines).
- f. No virement may be made where it would result in over expenditure. (section 32 MFMA)
- g. No virement shall add to the establishment of the Municipality without the approval of Municipal Manager.
- h. If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- i. Virements may not be made in respect of ring-fenced allocations.
- j. Budget may not be transferred from Interdepartmental costs, Capital financing, Depreciation, Contributions, Grant Expenditure and Income Foregone.
- k. Budget may only be transferred from Salaries if approved by the CFO.
- l. Virements in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.

- m. No virements are permitted in the first three months or the final month of the financial year without the express agreement of the CFO.
- n. No virement proposal shall affect amounts to be paid to another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)
- o. Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)
- p. An approved virement does not give expenditure authority and all expenditure resulting from approved virements must still be subject to the procurement/supply chain management policy of Council as periodically reviewed.
- q. Virements may not be made between Expenditure and Income.

## **7. VIREMENT PROCEDURE (SEE APPENDIX C ATTACHED)**

- a. All virement proposals must be completed on the appropriate documentation and forwarded to the Chief Financial Officer for checking, approval and implementation.
- b. All virements must be signed by the Vote holder (per department) and the Manager within which the vote is allocated. (Section 79 MFMA)
- c. A virement form must be completed for all Budget Transfers.
- d. All Virements require the approval of the Chief Financial Officer. (Section 79 MFMA)
- e. Must include changes to the SDBIP.
- f. All documentation must be in order and approved before any expenditure can be committed or incurred. (Section 79 MFMA)
- g. The Municipal Manager will report to the Mayor on a quarterly basis on those virements that have taken place during that quarter.

## APPENDIX A

### DEPARTMENTS, GFS CLASSIFICATIONS AND VOTE HOLDERS

VOTE	GFS CLASSIFICATION	DEPARTMENT	VOTE HOLDER	SUPPORT VOTE HOLDER
------	-----------------------	------------	-------------	------------------------

Executive and Council	Executive and Council	Council General	Mayor	Municipal Manager
		Municipal Manager	Municipal Manager	Municipal Manager

Finance	Finance and Admin	Finance	CFO	CFO
	Interns	Finance	CFO	CFO

Corporate Services	Corporate Services	Administration	MANAGER;; Corporate Services	MANAGER;; Corporate Services
		Fixed property & Building	MANAGER;; Corporate Services	Manager: Corporate Services
	Community and Social Services	Library	MANAGER;; Corporate Services	MANAGER;; Corporate Services
		Community Facilities	MANAGER;; Corporate Services	MANAGER;; Corporate Services
	Public Safety	Disaster Management	MANAGER;; Corporate Services	MANAGER;; Corporate Services
	Planning and Development	IDP	MANAGER;; Corporate Services	MANAGER;; Corporate Services
		LED	MANAGER;; Corporate Services	MANAGER;; Corporate Services
	Road Transport	Traffic	MANAGER;; Corporate Services	MANAGER;; Corporate Services

Technical Services	Support Services	PMU	MANAGER;; Technical Services	MANAGER;; Technical Services
	Electricity	Electricity	MANAGER;; Technical Services	MANAGER;; Technical Services
	Water	Water	MANAGER;; Technical Services	MANAGER;; Technical Services
	Water Waste Management	Water Waste Management	MANAGER;; Technical Services	MANAGER;; Technical Services
	Waste Management	Waste Management	MANAGER;; Technical Services	MANAGER;; Technical Services

## APPENDIX B

Item	Description	Comment	Virement	Virement
			From	To
<b>EMPLOYEE RELATED COSTS</b>				
BARGAINING COUNCIL		Expenditure	Yes	No
BONUS		Expenditure	Yes	No
ENTERTAINMENT ALLOWANCE		Expenditure	Yes	No
HOUSING SUBSIDY		Expenditure	Yes	No
IRP5 RECONCILIATION		Expenditure	Yes	No
LEAVE GRATUITY		Expenditure	Yes	No
LIFE ASSURANCE		Expenditure	Yes	No
LONG SERVICE AWARD: ACTUARIAL GAINS/LOSSES		Expenditure	Yes	No
LONG SERVICE AWARD: BENEFIT		Expenditure	Yes	No

LONG SERVICE AWARD: INTEREST	Expenditure	Yes	No
LONG TERM SERVICE	Expenditure	Yes	No
LONG TERM SERVICE AWARD: COS	Expenditure	Yes	No
MEDICAL AID FUND	Expenditure	Yes	No
MEDICAL AID LIABILITY	Expenditure	Yes	No
MEDICAL AID LIABILITY: ACTUARIAL GAINS/LOSSES	Expenditure	Yes	No
MEDICAL AID LIABILITY: BENEFIT PA	Expenditure	Yes	No
MEDICAL AID LIABILITY: INTEREST	Expenditure	Yes	No
OVERTIME	Expenditure	Yes	No
PENSION FUND	Expenditure	Yes	No
POST RETIREMENT BENEFITS PAID	Expenditure	Yes	No
PROVISION OF STAFF LEAVE	Expenditure	Yes	No
SALARIES	Expenditure	Yes	No
SALE OF LEAVE	Expenditure	Yes	No
TELEPHONE ALLOWANCE	Expenditure	Yes	No
TRAVELLING ALLOWANCE	Expenditure	Yes	No
UIF	Expenditure	Yes	No
WATERWORKS ALLOWANCE	Expenditure	Yes	No

#### **REMUNERATION OF COUNCILLORS**

COUNCILLOR ALLOWANCE	Expenditure	Yes	No
MEDICAL AID FUND	Expenditure	Yes	No
PENSION FUND	Expenditure	Yes	No
TELEPHONE ALLOWANCE	Expenditure	Yes	No
TRAVELLING ALLOWANCE	Expenditure	Yes	No

#### **BAD DEBTS**

BAD DEBTS	Expenditure	No	No
-----------	-------------	----	----

#### **DEPRECIATION**

DEPRECIATION	Expenditure	No	No
--------------	-------------	----	----

#### **REPAIRS & MAINTENANCE**

BUILDINGS	Expenditure	Yes	Yes
CHEMICALS	Expenditure	Yes	Yes

GENERAL MAINTENANCE	Expenditure	Yes	Yes
INTEREST PAID LANDFILL SITE	Expenditure	Yes	Yes
MAINTENANCE BUILDINGS	Expenditure	Yes	Yes
MAINTENANCE CEMETARY	Expenditure	Yes	Yes
MAINTENANCE COMMONAGE/AIRFIELD	Expenditure	Yes	Yes
MAINTENANCE CONSUMER CONNECTION	Expenditure	Yes	Yes
MAINTENANCE GENERAL EQUIPMENT	Expenditure	Yes	Yes
MAINTENANCE NETWORK/PUMPS/DAMS	Expenditure	Yes	Yes
MAINTENANCE STREET LIGHTING	Expenditure	Yes	Yes
MAINTENANCE STREETS/ROADS	Expenditure	Yes	Yes
MAINTENANCE VEHICLES	Expenditure	Yes	Yes
TOOL/ACCESSORY MAINTENANCE	Expenditure	Yes	Yes
WATER PURIFICATION	Expenditure	Yes	Yes

#### **FINANCE COSTS**

DBSA LOAN ELECTRIFICATION	Expenditure	No	No
DBSA LOAN VEHICLE FLEET	Expenditure	No	No
DBSA LOANS	Expenditure	No	No
FINANCE CHARGES DBSA	Expenditure	No	No
INTEREST	Expenditure	Yes	Yes
INTEREST BANK ACCOUNT	Expenditure	Yes	Yes
REDEMPTION	Expenditure	No	No

#### **BULK PURCHASES**

BULK WATER PURCHASE	Expenditure	Yes	Yes
ESKOM BULK PURCHASE	Expenditure	Yes	Yes
FREE BASIC ELECTRICITY	Expenditure	Yes	Yes

#### **CONTRACTED SERVICES**

CONTRACTED SERVICES	Expenditure	Yes	Yes
---------------------	-------------	-----	-----

#### **GRANTS & SUBSIDIES PAID - OPERATING**

ALL GRANTS AND SUBSIDIES PAID	Expenditure	No	No
-------------------------------	-------------	----	----

#### **GENERAL EXPENSES**

ADVERTISEMENT COSTS	Expenditure	Yes	Yes
ASSURANCE	Expenditure	Yes	Yes
AUDITORS COSTS	Expenditure	Yes	Yes
BANK COSTS	Expenditure	Yes	Yes
CASH SHORTAGES	Expenditure	Yes	Yes
CHEMICALS	Expenditure	Yes	Yes
CONSULTANT FEES	Expenditure	Yes	Yes
CONTRIBUTION DISTRICT MUNICIPALITY	Expenditure	Yes	Yes
COUNCIL AND WARD ACTIVITIES	Expenditure	Yes	Yes
DONATIONS	Expenditure	Yes	Yes
DROUGHT RELIEVE WATER PROGRAMME	Expenditure	Yes	Yes
DUMPING SITE	Expenditure	Yes	Yes
ENTERTAINMENT COSTS	Expenditure	Yes	Yes
EQUIPMENT	Expenditure	Yes	Yes
ESKOM MUNICIPAL PURCHASE	Expenditure	Yes	Yes
FUEL AND OIL	Expenditure	Yes	Yes
FUNERAL UNKNOWN/POVERTY PEOPLE	Expenditure	Yes	Yes
GRAVE YARD COSTS	Expenditure	Yes	Yes
HEALTH WORKERS	Expenditure	Yes	Yes
HERALD, SKILLS DEVELOPMENT MAYORAL	Expenditure	Yes	Yes
HIV/AIDS	Expenditure	Yes	Yes
INDIGENT SUPPORT	Expenditure	Yes	Yes
INSURANCE PAYBACK	Expenditure	Yes	Yes
INTERIM VALUATION COSTS	Expenditure	Yes	Yes
LABOURERS	Expenditure	Yes	Yes
LEGAL COSTS	Expenditure	Yes	Yes
LIBRARY PROJECTS	Expenditure	Yes	Yes
LOST BOOKS/MAGAZINES	Expenditure	Yes	Yes
MAYORAL ACTIVITIES	Expenditure	Yes	Yes
MEMBER FEES SALGA	Expenditure	Yes	Yes
MOTOR REGISTRATION	Expenditure	Yes	Yes
MOTOR VEHICLE REGISTRATION	Expenditure	Yes	Yes
MUNICPAL SERVICES	Expenditure	Yes	Yes
NATIS (VEHICLE REGISTRATION)	Expenditure	Yes	Yes
NETWORK	Expenditure	Yes	Yes

NEW BOOKS	Expenditure	Yes	Yes
O & M (DWA EXP)	Expenditure	Yes	Yes
OFFICE EXPENDITURE	Expenditure	Yes	Yes
OPERATING LEASE ABSA	Expenditure	Yes	Yes
OPERATING LEASE CANON	Expenditure	Yes	Yes
OPERATING LEASE NASHUA	Expenditure	Yes	Yes
POSTAL COSTS AND TELEPHONE	Expenditure	Yes	Yes
PROGRAMME FOR DISABLED	Expenditure	Yes	Yes
PROMOTION AND TOURISM	Expenditure	Yes	Yes
RADIO AND VEHICLE LICENSES	Expenditure	Yes	Yes
RAILAGE AND TRAVELLING COSTS	Expenditure	Yes	Yes
RENTAL	Expenditure	Yes	Yes
RETURN PAYMENT	Expenditure	Yes	Yes
REVOLVING FUND	Expenditure	Yes	Yes
SECURITY CLOTHING	Expenditure	Yes	Yes
SETA LEVY/TRAINING	Expenditure	Yes	Yes
SOFTWARE LICENSE	Expenditure	Yes	Yes
SOLID WASTE DISPOSALS	Expenditure	Yes	Yes
SPATIAL DEVELOPMENT FRAMEWORK	Expenditure	Yes	Yes
SPECIAL NUMBER PLATES	Expenditure	Yes	Yes
SPORT ACTIVITIES	Expenditure	Yes	Yes
STATIONERY	Expenditure	Yes	Yes
SUBSCRIPTION FEES	Expenditure	Yes	Yes
SUBSISTENCE AND TRAVELLING	Expenditure	Yes	Yes
TELEPHONE – CELLPHONE	Expenditure	Yes	Yes
TEST	Expenditure	Yes	Yes
TREES AND PLANTS	Expenditure	Yes	Yes
UPGRADING OF CEMETARY	Expenditure	Yes	Yes
WATER SAMPLES	Expenditure	Yes	Yes
WOMEN AND CHILDREN	Expenditure	Yes	Yes
WORKMAN'S COMPENSATION	Expenditure	Yes	Yes
WREATHS AND MEDALS	Expenditure	Yes	Yes
YOUTH PROGRAMS	Expenditure	Yes	Yes

**APPENDIX C**

REQUESTED BY: .....

REQUEST DIRECTED TO: The Chief Financial Officer

DATE: .....

FINANCIAL YEAR: 20 / 20

**PLEASE EFFECT VIREMENT AS FOLLOWS:**

FROM VOTE NUMBER: .....

FROM VOTE DESCRIPTION: .....

TO VOTE NUMBER: .....

TO VOTE DESCRIPTION: .....

AMOUNT: R.....

AMOUNT IN WORDS: .....

**REASON OF VIREMENT:** .....

---

---

---

---

---

---

---

---

---

---

**MANAGER REQUESTING VIREMENT MUST COMPLETE THE FOLLOWING QUESTIONS**

1. Are the above votes within your directorate?  Y  N

If no, obtain the approval of the relevant Executive Director

NAME AND SIGNATURE: .....

DATE: .....

2. Has the total virement on the above votes exceeded the limit as disclosed in paragraph 6b of the Virement Policy  Y  N

3. Will the above virement cater to the approved outcomes/ outputs of the IDP or adjust service delivery targets, as set in the SDBIP, onwards?  Y  N

4. Is the virement required to increase recurrent expenditure, such as leases?
5. Will the virement affect the following line items and categories of expenditure:

• Employment Costs Category	<input type="checkbox"/> Y	<input type="checkbox"/> N
• Departmental Charges	<input type="checkbox"/> Y	<input type="checkbox"/> N
• Charge out Allocations	<input type="checkbox"/> Y	<input type="checkbox"/> N
• Grant Expenditure	<input type="checkbox"/> Y	<input type="checkbox"/> N
• Income Category	<input type="checkbox"/> Y	<input type="checkbox"/> N

I hereby declare that I fully understand the contents of the Virement Policy and request that the above virement be approved.

MANAGER: ..... (signature)

NAME IN FULL: ..... (print name)

DATE: .....

APPROVED BY CHIEF FINANCIAL OFFICER: .....

NAME IN FULL: .....

(print name)

DATE: .....

CAPTURED BY: ..... (signature)

DATE: .....

CHECKED BY: ..... (signature)

DATE: .....

## **ANNEXURE 8: GENERAL LEDGER CHART OF ACCOUNTS MAINTENANCE POLICY**

### **1. Introduction**

A current and accurate Chart of Accounts is an integral part of the accounting systems of the municipality.

This Chart of Accounts is generally consistent with the definitions and procedures presented in the GRAP (General Recognize Accounting Practices) Requirement as well as the General Financial Statistics (GFS Classification) and various budget reform processes as aligned by National Treasury.

### **2. Policy Statement**

Any requested modifications (additions, deletions or changes) to the general ledger chart of accounts must be submitted to the Chief Financial Officer via the [\*\*General Ledger Chart of Accounts Maintenance Form\*\*](#) and accompanied by a statement justifying the business reason for the change.

### **3. Purpose of the Policy**

The general ledger is the primary information repository for the Municipality's business activities and financial condition. Accordingly, the general ledger's financial encoding structure and values (its "chart of accounts") must be maintained accurately to maintain the integrity of the Municipality's financial reporting.

### **4. Who needs to know this Policy**

The finance staff and departmental heads of the Municipality

### **5. Policy Procedures**

In order to maintain accurately the general ledger chart of accounts, only Financial System Support (FSS) located in the office of the Manager: Treasury Services or the Database administrator personnel, if applicable, are authorized to perform production system chart of accounts maintenance or modifications (additions, deletions and changes). (See the Administrator and Security Policy for more detail on security controls over the system.

All requested modifications to the chart of accounts must be submitted to FSS via a signed [\*\*General Ledger Chart of Accounts Maintenance Form\*\*](#). For detailed instructions on completed the form see [\*\*Steps for Requesting Changes to the Municipality's Chart of Accounts\*\*](#). All requests also must be accompanied by a statement justifying the business reason for the modification. When additions to

the chart of accounts are requested, departments are expected to consider and request deletion of segment values that formerly supported the business operation for which new values are being created.

No chart of account modifications will be considered by the Chief Financial Officer without approval by the Municipality's Budget Office or the Manager: Treasury Services, as appropriate. The appropriate Budget Office must approve modifications to the chart of accounts segments for the Vote, Cost Centers and Main Ledger. The Chief Financial Officer must approve modifications to the chart of account segments for *Account, Class and Function*. In addition, all Budget Office approved chart of accounts changes must be reviewed and approved by the Chief Financial Officer prior to processing by FSS.

Approved request forms must be submitted to the Budget Office to the attention of the Manager: Treasury Services. All change requests should be submitted at least two weeks prior to **initial** usage of the account.

All approved chart of accounts modification requests will be processed within one week from the time they are received by FSS. FSS will notify the appropriate Budget Manager, and other interested departments when modifications have been completed.

FSS and Chief Financial Officer periodically will review chart of accounts segment values for dormant values and notify the Budget Manager of the need to request removal of dormant values from those available for usage.

## **6. Forms**

See Annexure A: [\*\*General Ledger Chart of Accounts Maintenance Form\*\*](#)

## **7. Chart of Accounts**

### **8.1 Income and Expenditure**

See Annexure B: [\*\*Organisational layout of the Operational Income and Expenditure\*\*](#) of the system

### **8.2 Main Ledger**

See Annexure C: [\*\*Ledger Layout of the Main ledger\*\*](#) according to the GRAP structure of the Municipality

### **8.3 NT Reports**

See Annexure D: [\*\*Linking of votes to the NT structure\*\*](#) for easy linking of cost centers in future.

## ANNEXURE A

### **General Ledger Chart of Accounts Maintenance Form – explanatory form**

***The following page describes how to create a new description!***

#### **LE108: LEDGER DESCRIPTIONS**

**Type:** A drop down menu where the user must choose the desired type of vote to be created / change e.g. [Income and Expenditure Sub-Votes]; [Balance Sheet Sub-Votes]; [Allocation Sub-Votes]; [Main Votes].

#### **Master Code for this Sub, Allocation, Main Vote Description**

Type: [xxxx] This will be filled in depending on what has been chosen under the Type e.g. A; B; C; M

Vote Code: [0000] This will be created according to the Municipality's chart of accounts structure

#### **Descriptions**

English [\_\_\_\_\_]

Afrikaans [\_\_\_\_\_]

#### **Controls**

Debit/Credit Dropdown menu to choose the correct category e.g. "Debit (+) Asset and Expenditure or Credit (-) Liability and Income".

Income /Liability sub-vote? [ ] tick in the box

Vat Indicator Dropdown menu to choose the correct category e.g. "Not vatable; Vat Optional; Vat compulsory.

IMFO Expenditure/Asset Groups Dropdown menu to choose the correct category according to the chart of accounts

NT I&E Expend Group Dropdown menu to choose the correct category according to the chart of accounts

#### ***NB! DO INDEX-REBUILD ON VOTE WHEN CHANGED)***

% Cash-flow [ ] Indicate required %

Global Expenditure % [ ] Indicate required %

**Mark VALID access**

Please tick the following boxes where the ledger must be accessible from the sub systems.

- Consbill
- Ledger
- Payroll
- Stores
- Asset Register
- Finance Register
- Costing

Job / Allocation      [ ] Choose from the dropdown menu e.g. Jobs; Allocations; Nono

Re-Allocate Expenditure? [ ] Tick if applicable

Suppress Print? [ ] Tick for yes

Auto Block Over-expenditure? [ ] Tick for yes

Capital Expenditure? [ ] Tick for yes.

**ANNEXURE A**

**General Ledger Chart of Accounts Maintenance Form**

Type

(Main Votes; Income and  
Expenditure Sub-Votes;  
Balance Sheet Votes;  
Allocation Sub-Votes)

**Master Code for this Sub, Allocation, Main Vote Description**

Type [ ] A = Income and Expenditure Sub-Votes; B = Balance Sheet Sub votes; C = Allocation sub votes; M = Main votes  
Vote Code [ \_ \_ \_ \_ ] to be created according to chart of accounts

**Descriptions**

English [ \_ ]

Afrikaans [ \_ ]

**Controls**

Debit/Credit      [Debit(+)Asset or Expenditure] or [Credit(-)  
Liability or Income]

Income / Liability sub-vote? [ \_ ]

Vat Indicator    [Vat compulsory] or [Vat Optional] or [Non-  
Vatable]

GRAP Expend/Asset Group      [\_\_\_\_\_] according to chart of accounts  
NT Expend/Asset Group      [\_\_\_\_\_] according to chart of accounts  
% Cash-flow                  [\_\_\_\_\_  
Global Expenditure %      [\_\_\_\_\_  
**Mark VALID access**

[\_] Consbill      [\_] Ledger      [\_] Payroll      [\_] Stores  
[\_] Asset Register      [\_] Finance Register      [\_] Costing  
Job / Allocation? [Job] or [Allocation] or [None]  
Re-allocate Expenditure      [\_\_]  
Suppress print?      [\_\_]  
Auto Block Overexpend?      [\_\_]  
Capital Expenditure?      [\_\_]

#### **ANNEXURE B**

#### **Organisational layout of the Operational Income and Expenditure**

New cost centers must be created according to the chart of accounts to ensure continuity and compliance with the NT requirements and MFMA circulars.

#### **With reference to MFMA Circular 10**

##### **The VOTE:**

Section 1 of the MFMA defines a “**VOTE**” as:

- a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned

The term “vote” is used to divide the budget into segments and the council then approves the budget according to these votes via resolution. The definition requires votes to be at the departmental or functional level. The reason for this is that municipalities are organized around departments, which in most instances tend to be linked to specific functions. Senior managers head such departments / functions, which makes it easier for the “vote” of a department to be used to facilitate greater accountability for service delivery and budget implementation over the performance of senior managers, in accordance with their annual performance agreements. For effective accountability, senior managers form part of top management and report directly to the municipal manager (Section 77 of the MFMA).

## **Definition of “Vote” in terms of departments or functions**

The first point to note is that the department needs to be defined in terms of one or more broad functions (e.g. electricity, water and sanitation, etc.). To facilitate comparisons, functions in government must be related to an international classification system like the Government Finance Statistics (GFS) system. GFS functions provide a reasonably high level grouping of related service delivery activities for local government, and it is important that whatever organisational structure a municipality has, it can relate them to GFS sub-functions to the extent this is possible.

### **High Level “Votes”**

The Budget is the mechanism to execute the strategic plan, and must not be confused with a management plan. It must provide high-level strategic objectives for both councilors and the community, and shift the focus towards outputs and outcomes. Previous municipal budget formats have been at the level of every detailed line item allocations, focusing only on inputs, and hence were neither strategic nor transparent.

The new format of the budget focuses on outputs, and is meant to be a reasonable high level strategic document while the service delivery and budget implementation plan (SDBIP) is a more detailed management plan. By requiring the “vote” to be at a high level (department and functional area), the MFMA enables councilors to focus on policy and strategy while providing the mechanisms to hold management accountable for service delivery and budget implementation.

The level of the “vote” for the purposes of the MFMA should therefore be arranged around GFS functions and sub-functions, and aligned to senior managers. Note that this in most instances does not require organisational changes, although will be aligned to group easier.

Each GFS function is a “vote” and must have associated with it appropriate breakdowns or sub-functions for operating expenditure, capital expenditure and revenue.

One of the key reforms required by the MFMA is to link **measurable performance objectives** to each “vote”, to ensure that municipalities are accountable to the community for service delivery as well as expenditure and revenue (See Circular No 13 on the SDBIP). Such measurable performance objectives must also be broken down into specific objectives for sub-functions, to be published in the budget or SDBIP, and incorporated into the performance agreements of all managers in that municipality.

The following page indicates how each GFS function (e.g. electricity) is broken up into sub-functions (e.g. electricity distribution, electricity generation and street lightning) where applicable. The GFS sub-functions are the fundamental basic elements that ideally should not be split up between different departments. Note that it is possible to create even smaller basic elements like GFS sub-sub functions, so that electricity distribution itself can be broken down further.

### **1. VOTE STRUCTURE**

The following HIGH Level summaries must be compiled for budget and reporting purposes:

- A. Executive and Council
- B. Finance and Administration
- C. Corporate Services
- D. Community Services
- E. Technical Services

A breakdown by Vote of every high level summary

<b><u>MAIN VOTE NUMBER</u></b>	<b><u>VOTE</u></b>
--------------------------------	--------------------

***(a) Executive and Council***

	<b>Council Administration</b>	
(i)	Council General	0001
(ii)	<b>Mayor Office</b>	0003
(iii)	Speaker Support Office	0005
(iv)	Executive Committee	0007
(v)	Chief Whip	0009
(vi)	Ward Councillors	0011
	<b>Municipal Manager</b>	
(vii)	Municipal Manager Admin	0101

***(b) Budget and Treasury Office***

	<b>Financial Management</b>	
(i)	Budget & Treasury	0201
(ii)	Interns	0203
(iii)	Donations & Relief Allowance	0205
	<b>Expenditure Management</b>	
(iv)	Expenditure & Supply Chain Management	0211
(v)	Payroll Section	0213
(vi)	Asset Management	0215
	<b>Revenue Management</b>	
(vii)	Revenue & Debt Services	0221
(viii)	Assessment Rates	0230

***(c) Corporate Services***

	<b>Corporate Services</b>	
(i)	Corporate Services	0301
(ii)	Fixed Property Services	0303
	<b>Property Services</b>	

(iii)	Support Services	0311
(iv)	LED / IDP	0313
(v)	Youth	0315

**(d) Community Services**

**Community Services**

(vi)	Community Services	0401
(vii)	Library	0403
(i)	Cemeteries	0405

**Sport and Recreation**

(ii)	Sport & Recreation	0411
------	--------------------	------

**Public Safety**

(iii)	Licencing & Traffic	0431
(iv)	Disaster Management	0433

**(e) Technical & Engineering Services**

**Technical Services**

(i)	Technical Services Admin	0501
(ii)	Special Funds	0503
(iii)	Project Management Unit	0505

**Roads**

(iv)	Roads	0520
------	-------	------

**Electricity Services**

(v)	Electricity Services	0530
-----	----------------------	------

**Water Services**

(vi)	Water Services	0540
------	----------------	------

**Waste Water Management**

(vii)	Sewerage Services	0550
-------	-------------------	------

**Waste Management**

(viii)	Refuse Services	0560
--------	-----------------	------

## ANNEXURE C

### **2. Main Revenue by Source and Expenditure by Type with detail descriptions**

<b><u>REVENUE BY SOURCE</u></b>	<b><u>SUB-VOTE</u></b>
A. Property Rates	0200
B. Revenue Foregone	0251
C. Property Rates – penalties & collection charges	0300
D. Service charges – Electricity revenue	0401
E. Service charges – Water revenue	0421
F. Service charges – Sanitation revenue	0441
G. Service charges – Refuse revenue	0461
H. Service Charges – Other	0481
I. Rental of facilities and equipment	0700
J. Interest earned – external investments	0800
K. Interest earned – outstanding debtors	1000
L. Dividends received	1100
M. Royalties Received	1151
N. Fines	1300
O. Licenses and permits	1400
P. Agency services	1500
Q. Government Grants & Subsidies: Operational	1600
R. Public Contribution & Donations	1640
S. Government Grants & Subsidies: Capital	1650
T. Other revenue	1700
U. Other Gains on Disposal of Asset	1900
V. Gains on disposal of PPE	1920
W. Profit on sale of Investment Property	1940

### **EXPENDITURE BY TYPE**

A. Employee related costs: Remuneration	3000
B. Employee related costs: Social contribution	3100
C. Remuneration of councilors	3400
D. Impairment Losses	3500
E. Collection Cost	3600
F. Depreciation & asset impairment	3700
G. Repairs and Maintenance	3800
H. Interest Paid	3900
I. Bulk purchases	4100
J. Contracted services	4200
K. Grants and Subsidies Paid: Operational	4300
L. Free Basic Services	4321
M. Grants and Subsidies Paid: Conditional	4351
N. General expenditure	4400
O. Other losses on Continued Operations	4800
P. Loss on disposal of Assets	4820
Q. Inter Departmental Transfers	5000
R. Contributions to Funds and Reserves	6000

<b>(Surplus) / Deficit</b>	
<b>S. Interest Allocated to Funds &amp; Reserves</b>	<b>6500</b>
<b>T. Assets Obtained from Grants &amp; Subsidies</b>	<b>6510</b>
<b>U. Expenditure Incurred from Funds &amp; Reserves</b>	<b>6520</b>
<b>V. Disposed Assets from Grants &amp; Subsidies</b>	<b>6530</b>
<b>W. Offsetting of Depreciation</b>	<b>6540</b>
<b>TOTAL OPPROPRIATIONS</b>	
<b>NETT SURPLUS/DEFICIT</b>	
<b>ASSET DISPOSAL ACCOUNT</b>	
<b>X. Disposal of Assets</b>	<b>6550</b>
<b>Y. Disposal of Agricultural Assets</b>	<b>6570</b>

## ANNEXURE D

### 3. GRAP structure of the main ledger

#### CHART OF ACCOUNTS – MAIN LEDGER

The chart of accounts for the main ledger is created in such a way to enable the user to create votes in the correct area, as well as the correct linking to the Statement of Financial Position and Cash-Flow.

If the user follows this guideline, the municipality will be in a position to print balanced monthly financial statements (excluding final journals) to ensure full NT compliance reporting.

The votes are created in the sequence of main vote, balance sub vote, and allocation vote.

(Examples are included for the user to enable him to create votes correctly – refer to the excel spreadsheet)

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
<b>NET ASSETS</b>					
<b>6000</b>	<b>STATUTORY RESERVES</b>	6000	Revaluation Reserve	6001 6002 6004 6006 6008 6010 6011 6012	Balance at the Beginning of Additions Transfers Write-offs Sales and Disposals Transfers to Asset Held For Sale Decreases GRAP Adjustments
<b>6101</b>	<b>ACCUMULATED SURPLUS/DEFICIT</b>	6101	Capital Replacement Reserve	6101 6102 6104 6106 6108	Balance at the beginning of year Contributions received Cash utilized/expenditure Income earned Income received
		6103	Capitalisation Reserve	6101 6103 6105 6107 6109 6111 6115	Balance at the beginning of year Receipts/Additions Used to finance assets Transf. to income IRO disposals Transf. to income IRO deprec. Repayment/Refund of Grant GRAP adjustments
		6105	Donations & Public Contributions	6101 6103	Balance at the beginning of year Receipts/Additions

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
				6105 6107 6109 6111 6115	Used to finance assets Transf. to income IRO disposals Transf. to income IRO deprec. Repayment/Refund of Grant GRAP adjustments
		6107	Government Grant Reserve	6101 6103 6105 6107 6109 6111 6115	Balance at the beginning of year Receipts/Additions Used to finance assets Transf. to income IRO disposals Transf. to income IRO deprec. Repayment/Refund of Grant GRAP adjustments
		6109	Self-Insurance Reserve	6101 6102 6104 6106 6108	Balance at the beginning of year Contributions received Cash utilized/expenditure Income earned Income received
		6111	Unappropriated Surplus/Accumulated Deficit	6101 6121 6123 6125 6127 6129 6131 6133 6135 6137 6139	Balance at the beginning of year Nett Surplus for the year Transfers to / from CRR Transfers to / from Insurance Res Transfers to / from HDF Transfers to Offset Depreciation Grants utilised to obtained PPE Donations / Contributed PPE Prior Year Adjustments Changes in Accounting Policies GRAP Adjustments
		6121	Unappropriated Housing Reserve	6101 6102 6104 6106 6108	Balance at the beginning of year Contributions received Cash utilized/expenditure Income earned Income received
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
7001	Long-Term Liabilities	7001	Local Registered Stock: (List 01)	7001 7003 7005 7007 7009 7011	Balance at the Beginning of Received during year Redeemed during year Capitalize during year Transfers during year Written-off during year
		7021	Annuity Loans (List 01)	7001 7003 7005 7007 7009 7011	Balance at the Beginning of Received during year Redeemed during year Capitalize during year Transfers during year Written-off during year
		7040	Lease Liabilities (List 01)	7001 7003 7005 7007 7009 7011	Balance at the Beginning of Received during year Redeemed during year Capitalize during year Transfers during year Written-off during year
		7060	Government Loans (List 01)	7001 7003 7005 7007 7009 7011	Balance at the Beginning of Received during year Redeemed during year Capitalize during year Transfers during year Written-off during year
		7070	Other Loans (List 01)	7001	Balance at the Beginning of

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
				7003 7005 7007 7009 7011	Received during year Redeemed during year Capitalize during year Transfers during year Written-off during year
			Short-Term Por TRF to Current Liabilities		
		7091	ST.Por-CL: Local Registered Stock	7001 7002	Balance at the Beginning Transactions for the Year
		7092	ST.Por-CL: Annuity Loans	7001 7002	Balance at the Beginning Transactions for the Year
		7093	ST.Por-CL: Lease Liability	7001 7002	Balance at the Beginning Transactions for the Year
		7094	ST.Por-CL: Government Loans	7001 7002	Balance at the Beginning Transactions for the Year
		7095	ST.Por-CL: Other Loans	7001 7002	Balance at the Beginning Transactions for the Year
7101	<b>POST RETIREMENT MEDICAL AID BENEFITS LIABILITY</b>	7101	Provision for Post Retirement Benefits	7101 7103 7105 7107 7109	Balance at the Beginning of Contributions Received Expenditure Incurred Increase due to Discounting Transfers T/F Current Provision
7111	<b>NON-CURRENT PROVISIONS</b>	7111	Provision for Cleaning of Illegal Dumping	7101 7103 7105 7107 7109	Balance at the Beginning of Contributions Received Expenditure Incurred Increase due to Discounting Transfers T/F Current Provision
		7112	Provision for Cleaning of Alien Vegetation	7101 7103 7105 7107 7109	Balance at the Beginning of Contributions Received Expenditure Incurred Increase due to Discounting Transfers T/F Current Provision
		7113	Provision for Long-Term Services	7101 7103 7105 7107 7109	Balance at the Beginning of Contributions Received Expenditure Incurred Increase due to Discounting Transfers T/F Current Provision
		7114	Provision for Rehabilitation of Land-Fill Sites	7101 7103 7105 7107 7109	Balance at the Beginning of Contributions Received Expenditure Incurred Increase due to Discounting Transfers T/F Current Provision
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
7201	<b>CONSUMER DEPOSITS</b>	7201	Electricity & Water	7201 7203 7205	Balance at the Beginning Receipts Funds Refunded
7203	<b>PROVISIONS</b>	7203	Performance Bonus	7201 7202 7204	Balance at the Beginning of Contributions received Expenditure Incurred
		7204	Staff Leave	7201 7202 7204	Balance at the Beginning of Contributions received Expenditure Incurred
<b>CURRENT PORTION OF NON-CURRENT PROVISIONS</b>					
		7205	Current Portion of Illegal Dumping	7201 7202 7204 7206	Balance at the Beginning of Contributions Received Expenditure Incurred Transfer Ex Non-Current Reserves
		7206	Current Portion of Alien Vegetation	7201 7202	Balance at the Beginning of Contributions Received

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
				7204 7206	Expenditure Incurred Transfer Ex Non-Current Reserves
		7207	Current Portion of Long-term Service	7201 7202 7204 7206	Balance at the Beginning of Contributions Received Expenditure Incurred Transfer Ex Non-Current Reserves
		7208	Current Portion of Land-Fill Sites	7201 7202 7204 7206	Balance at the Beginning of Contributions Received Expenditure Incurred Transfer Ex Non-Current Reserves
		7209	Current Portion of Post-Retirement Benefits	7201 7202 7204 7206	Balance at the Beginning of Contributions Received Expenditure Incurred Transfer Ex Non-Current Reserves
7210	<b>CREDITORS Exchange Services</b>	7211	Trade Creditors: Outstanding	7201 7203 7205	Balance at the Beginning Purchases Repayment
		7221	Payments Received in Advance	7211 7213	Debtors Services
7210	<b>RETENTION ACCOUNT</b>	7231	Retention account (List 001)	7201 7202 7204 7207	Balance at the Beginning Receipts Funds Utilised Funds Refunded
7300	<b>SUNDRY DEPOSITS</b>	7301	Sundires	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7303	Tender	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7305	Rental	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7307	Botleng Housing	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7309	Botleng Tender+Sundry	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7311	Library	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7313	Flowers & Plants	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7315	Builders	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7317	Other	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
7330	<b>OTHER CREDITORS</b>	7331	M/Vehicle Reg – See		

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
			Suspense Accounts		
		7333	Unclaimed Moneys	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7335	Donation: HE Green	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7337	Donation: JW Fiske	7301 7303 7305 7307	Balance at the Beginning Receipts Funds Utilised Funds Refunded
		7339	SUSPENSE ACCOUNTS	7309	Transfer from Suspense Accounts
7401	Unspent Conditional Grants	7401	Finance Management Grant	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7405	National Treasury	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7411	Municipal Infrastructure Grant (MIG)	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7421	Municipal Systems Improvement Grant (MSIG)	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7425	Dept of Arts & Culture	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7431	Dept of Mineral & Energy	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7433	Dept of Provincial & Local Government	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7435	DPLG: Public Transport	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7437	DPLG: Other	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7441	Dept of Public Works	7401	Balance at the Beginning

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
				7403 7405 7407 7409	Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7445	Dept of Sport & Recreation	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7451	Dept of Transport	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7454	SETA: LED Learnership	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7455	Prov. Dept of Agriculture	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7461	Prov. Dept of Environmental Affairs	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7471	Prov. Dept of Local Government & Housing	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7481	Prov. Dept of Transport & Public Works	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7485	Local District Municipality	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7491	Other Government	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7492	Other: DBSA	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
		7495	Public Contributions	7401 7403 7405 7407 7409	Balance at the Beginning Received during Year Interest for Year T/Fer to Rev-Cond. Met: Opex T/Fer to Rev-Cond. Met: Capex
<b>7501</b>	<b>VAT CONTROL</b>	7501	VAT: Debtors Control	7501	Balance at the Beginning

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
	<b>ACCOUNT</b>		Account	7503	Transactions for Year
		7503	VAT: Output Vote (Debtors)	7501 7503	Balance at the Beginning Transactions for Year
		7505	VAT: Input (Creditors)	7501 7503	Balance at the Beginning Transactions for Year
		7507	VAT: Output VAT Paid (Debtors)	7501 7503	Balance at the Beginning Transactions for Year
		7509	VAT: Input Paid (Creditors)	7501 7503	Balance at the Beginning Transactions for Year
		7511	VAT: Creditors Control Account	7501 7503	Balance at the Beginning Transactions for Year
		7513	VAT: Paid to SARS	7501 7503	Balance at the Beginning Transactions for Year
		7515	VAT: Stores Purchases	7501 7503	Balance at the Beginning Transactions for Year
		7517	VAT: Bad Debts	7501 7503	Balance at the Beginning Transactions for Year
<b>7531</b>	<b>SHORT TERM LOANS</b>	7531	Call Bond	7531 7533 7535 7537 7538 7539	Balance at the Beginning Received during Year Redeemed during Year Capitalized during Year Transferred during Year Written-off during Year
		7535	Other	7531 7533 7535 7537 7538 7539	Balance at the Beginning Received during Year Redeemed during Year Capitalized during Year Transferred during Year Written-off during Year
<b>7541</b>	<b>OPERATING LEASE LIABILITY</b>	7541	Operating Lease Liability	7541 7543 7545	Balance at Beginning of the Year Lease Expenditure Recorded (Straight-Line) Lease Expenditure Effected (Actual)
<b>7581</b>	<b>Short-Term Portion of Long-Term Liabilities</b>	7581	S T Portion T/Fer from Deferred Revenue	7581 7583	Balance at Beginning Transactions for the Year
		7583	S T Portion T/Fer From L T Liabilities	7581 7583	Balance at Beginning Transactions for the Year
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
<b>PROPERTY PLANT AND EQUIPMENT</b>					
<b>8001</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	8001	Land and Buildings	8001 8003 8005 8006 8007 8009 8011 8013	Balance at the Beginning Additions Transfers Borrowing Costs Capitalized Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale
		8002 8003 8004 8005 8006 8007	Infrastructure Assets Community Assets Heritage Assets Housing Assets Leased Assets Other Assets	Same as above	Same as above

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
<b>8003</b>	<b>PPE: COST OF WORK IN PROGRESS</b>	8001  8002 8003 8004 8005 8006 8007	Land and Buildings  Infrastructure Assets Community Assets Heritage Assets Housing Assets Leased Assets Other Assets	8001 8003 8005  Same as above	Balance at the Beginning Additions Transfers  Same as above
<b>8005</b>	<b>PPE: REVALUATION</b>	8001  8002 8003 8004 8005 8006 8007	Land and Buildings  Infrastructure Assets Community Assets Heritage Assets Housing Assets Leased Assets Other Assets	8001 8003 8005 8007 8009 8011 8013 8015  Same as above	Balance at the Beginning Additions Transfers Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale Decreases  Same as above
<b>8006</b>	<b>PPE: ACCUMULATED DEPRECIATION</b>	8001  8002 8003 8004 8005 8006 8007	Land and Buildings  Infrastructure Assets Community Assets Heritage Assets Housing Assets Leased Assets Other Assets	8001 8003 8005 8007 8009 8011 8013  Same as above	Balance at the Beginning Additions Transfers Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale  Same as above
<b>8007</b>	<b>PPE: DEPRECIATION ON VALUATION</b>	8001  8002 8003 8004 8005 8006 8007	Land and Buildings  Infrastructure Assets Community Assets Heritage Assets Housing Assets Leased Assets Other Assets	8001 8003 8005 8007 8009 8011 8013  Same as above	Balance at the Beginning Additions Transfers Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale  Same as above
<b>8008</b>	<b>PPE: ACCUMULATED</b>	8001	Land and Buildings	8001	Balance at the Beginning

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
	<b>IMPAIRMENT</b>			8003 8005 8007 8009 8011 8013 8016	Additions Transfers Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale Reversals
		8002 8003 8004 8005 8006 8007	Infrastructure Assets Community Assets Heritage Assets Housing Assets Leased Assets Other Assets	Same as above	Same as above
<b>8011</b>	<b>INVESTMENT PROPERTY</b>	8011  8012 8013 8014 8015	Historical Cost  Accumulated Revaluation Accumulated Depreciation – Cost Accumulated Depreciation – Valuation Accumulated Impairment	8001 8003 8005 8007 8009 8011 8013 8015	Balance at the Beginning Additions Transfers Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale Reversals  Same as above
<b>8013</b>	<b>INTANGIBLE ASSETS</b>	8011  8012 8013 8014 8015	Historical Cost  Accumulated Revaluation Accumulated Depreciation – Cost Accumulated Depreciation – Valuation Accumulated Impairment	8001 8003 8005 8007 8009 8011 8013 8015	Balance at the Beginning Additions Transfers Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale Reversals  Same as above
<b>8018</b>	<b>AGRICULTURAL ASSETS</b>	8018	At Fair Value	8001 8003 8005 8007 8009 8011 8013 8015	Balance at the Beginning Additions Transfers Write-Offs Sales and Disposals Transfers to Other Components Transfer to Assets Held-for-Sale Adjustments made to Fair Value
<b>8020</b>	<b>LONG-TERM INVESTMENTS</b>	8021-8060  8061-8080	List Investments by type  Unlisted Investment by type	8021 8023 8025 8027 8029  Same as	Balance at the beginning Invested during Year Interest Capitalised during year Sold/Withdrawal during Year Transferred during Year  Same as above

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
		8081-8099	Financial Instruments	above	
8101	<b>SHORT TERM PORTION TO CURRENT ASSETS</b>	8101	Listed Investments	8101 8103	Balance at the Beginning Transactions for Year
		8102	Unlisted Investments	8101 8103	Balance at the Beginning Transactions for Year
		8103	Financial Instruments	8101 8103	Balance at the Beginning Transactions for Year
8121	<b>INVESTMENT IN ASSOCIATES</b>	8121	INVESTMENT IN ASSOCIATES	8021 8023 8025 8027 8029	Balance at the Beginning Invested during the Year Interest Capitalized during year Sold/Withdrawn during year Transferred during year
8131	<b>FINANCE LEASE RECEIVABLES</b>	8131	Lease Agreements	8131 8133 8135	Balance at the beginning New Agreements during the year Redeemed during the year
		8133	Prov. Impairment: Lease Receivables	8131 8132 8134 8136 8138	Balance at the beginning Impairment Recognised/Provided Impairment Reversed Bad Debts written off Bad Debts Recovered
		8135	Short-term Portion TRF to current Assets	8131 8137	Balance at the beginning Transactions for the year
8201	<b>LONG-TERM DEBTORS</b>	8201	Formosa Garden Village	8201 8203 8205	Balance at the beginning Capitalized during year Redeemed during year
		8202	Other Housing Projects	8201 8203 8205	Balance at the beginning Capitalized during year Redeemed during year
		8221	Sale of Erven Loans	8201 8203 8205	Balance at the beginning Capitalized during year Redeemed during year
		8261	Sundry Loans	8201 8203 8205	Balance at the beginning Capitalized during year Redeemed during year
		8291	Provision for Impairment: Long-Term Debtors	8201 8202 8204 8206 8208	Balance at the beginning Impairment recognized/provided Impairment reversed Bad debts written off Bad debts recovered
		8293	S.T.P. Housing Scheme Loans	8201 8209	Balance at the beginning Transactions for the year
		8294	S.T.P. Sale of Erven Loans	8201 8209	Balance at the beginning Transactions for the year
		8295	S.T.P. Sundry Loans	8201 8209	Balance at the beginning Transactions for the year
<b>CURRENT ASSETS</b>					
9001	<b>INVENTORY</b>	9001	Consumables Stores	9001 9003 9005	Balance at the beginning Purchases Issues
		9002	Stock Control: 2000	9001 9003 9005	Balance at the beginning Purchases Issues
		9004	Stock Control: 4000	9001 9003	Balance at the beginning Purchases

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
		9008	Stock Control: 8000	9005 9001 9003 9005	Issues Balance at the beginning Purchases Issues
		9009	Stock Control: 9000	9001 9003 9005	Balance at the beginning Purchases Issues
		9012	Water	9001 9003 9005	Balance at the beginning Purchases Issues
<b>9021</b>	<b>ASSETS CLASSIFIED AS HELD-FOR-SALE</b>	9021	Property Held-for-sale	9021 9023	Balance at the beginning Transactions for the year
		9041	Other Assets held-for-sale	9021 9023	Balance at the beginning Transactions for the year
		9051	Liabilities associated with A.H.4.S	9021 9023	Balance at the beginning Transactions for the year
<b>9100</b>	<b>CONSUMER DEBTORS</b> <b>Trade Receivables from Exchange and Non-Exchange Transactions</b>	9101	Assessment Rates	9101 9103	Balance at Beginning of year Transactions for the year
		9102	Electricity	Same as above	Same as above
		9103	Refuse		
		9104	Sewerage		
		9105	Water		
		9106	Miscellaneous Vatable		
		9107	Miscellaneous Not Vatable		
		9108	VAT		
		9109	New Property Rates		
<b>9121</b>	<b>SUNDRY SERVICES</b>	9121	Sundry Debtors	9101 9103	Balance at the beginning Transactions for the year
		9141	Masakane	9101 9103	Balance at the beginning Transactions for the year
		9145	Car Loans	9101 9103	Balance at the beginning Transactions for the year
		9151	Study Loans	9101 9103	Balance at the beginning Transactions for the year
		9181	Other Services	9101 9103	Balance at the beginning Transactions for the year
<b>9191</b>	<b>PROVISION FOR IMPAIRMENT: CONSUMER DEBTORS</b>	9181	Assessment Rates	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9182	Electricity	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9183	Refuse	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
		9184	Sewerage	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9185	Water	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9186	VAT	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9187	Loans	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9188	Sundries (no VAT)	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9189	Sundries	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9190	Pre-Paid Electricity	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9191	Housing Rentals	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
		9192	Sundry Services	9101 9102 9104 9106 9108	Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered
<b>9201</b>	<b>OTHER DEBTORS</b>	9201 9205 9211 9231 9241 9261 9264 9291 9292 9293 9297	Payments made in advance Capital projects Government Subsidy claims Staff advances Sundry Deposits Sundry Debtors Debtors from Suspense acc Fruitless & Wasteful Exp. Irregular expenditure Unauthorized Expenditure Prov. for Bad Debts Sundries	9201 9203 0801-0899  9201 9202 9204 9206 9208	Balance at the beginning Transactions for the year If you need to create a listing under any other debtor type, use this range in stead of 9201 & 9203  Balance at the beginning Impairment recognized/provided Impairment reversed Bad Debts written off Bad Debts recovered

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
9301	<b>SHORT TERM INVESTMENT DEPOSITS</b>	9301-9340	List of Call Deposits	9301 9303 9305 9307 9309	Balance at the beginning Invest during the year Interest Capitalised during year Sold/Withdrawal during the year Transferred during year
		9341-9380	Notice Deposits	9301 9303 9305 9307 9309	Balance at the beginning Invest during the year Interest Capitalised during year Sold/Withdrawal during the year Transferred during year
		9381	S.T Portion of L.T Investments	9301 9302	Balance at the beginning Transactions for the year
9401	<b>BANK BALANCES AND CASH</b>	9401	Primary Bank Account	9401 9402 9403 9404 9405 9406 9407 9408 9409	Balance at the beginning Cash Suspense: Normal Cash Suspense: Bank Deposits Cash Suspense: Post Office Cash Suspense: Easy Pay Cash Suspense: RD Cheques Cash Suspense: ACB Payments Cash Suspense: Cheque Finals Cash Suspense: All Transfers
		9402	Cash Bank Account	9411 9412 9413 9414 9415	Balance at the beginning Income during the year Expenditure during the year Transferred during the year VAT Transfers during the year
		9411-9450	Cash Floats and Advances		List floats per pay-point, can also be used for petty-cash
		9411	Petty Cash	9401 9410	Balance at the beginning Transactions for the year
			List all floats and petty cash	Same as above	Same as above
		9451	Other Cash Equivalents Cash Equiv: Revenue Stamps	9401 9410	Balance at the beginning Transactions for the year
		9452	Cash Equiv: Other	9401 9410	Balance at the beginning Transactions for the year
		9461	S.T. Portion from L.T Debtors	9461 9463	Balance at the beginning Transactions for the year
		9463	S.T Portion from L.T Finance Leases	9461 9463	Balance at the beginning Transactions for the year
<b>SUSPENSE ACCOUNTS</b>					
9501	<b>Salary Controls</b>	9511 to 9560	Listing of all salary control accounts needed	0000	
9503	<b>Debtors Controls</b>	9561 to 9580	Listing of all debtor control accounts needed	0000	
9505	<b>Unclaimed Deposits</b>	9581 to 9590	Listing of all unclaimed deposits needed	0000	
9507	<b>Sundry Controls</b>	9591 to 9600	Listing of all sundry controls needed	0000	
9509	<b>Recoverable Work</b>	9601 to 9630	Listing of all recoverable work needed	0000	
9511	<b>Provision Year End Creditors</b>	9631 to 9640	Listing of all Provision for Year-end Creditors needed	0000	

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
<b>9513</b>	<b>Current Year Controls</b>	9641 to 9650	Listing of all Current Year controls needed	0000	
<b>9515</b>	<b>Sale of Erven</b>	9651 to 9660	Listing of all Sale of Erven Controls needed	0000	
<b>9521</b>	<b>Insurance Claims</b>	2801 – 3000	Listing of all Insurance Claims needed	0000	
<b>9523</b>	<b>Retention Control Account</b>	3001 – 3999	Listing of all Retention Controls needed	0000	
<b>9531</b>	<b>Summary of Suspense accounts</b>	9691 9693	Transfer of Sundry Debtors to Other Debtors Transfer of Sundry Creditors to Other Creditors	0000 0000	

Provision is made for Capital projects under C001, if the municipal run out of space due to the nature of the capital budget, some of these funding sources that are not in use by the municipality, can be deleted, to make space available for other projects. You also may use alpha/numerical numbers if needed, just try to keep the ranges.

<b>CAPITAL PROJECTS</b>					
<b>C001</b>	Council General (The Capital votes is the same ranges as the normal votes, but only starts with a "C" to indicate it's Capital.				
<b>C001 – C485</b>	<b>Listing of all Capital Projects by Vote and Section</b>	<p>The sub vote ranges indicates the different funding sources, e.g. Capital from own revenue starts with A701, National Projects starts with N701, Provincial Projects starts with P701 and Other Grants starts with M701.</p>			<p>The last four digits indicate the projects. Project ranges are as follows: Projects funded from revenue: 1001 – 2000 Projects funded from COGTA: C001 - C999 Projects funded from DBSA: B001 - B999 Projects funded from DPLG&amp;H: P001 - P999 Projects funded from EPWP: E001 - E999 Projects funded from FMG: F001 - F999 Projects funded from MIG: M001 – M999 Projects funded from MSIG: S001 – S999 Projects funded from District Grants: D001 – D999 Projects funded from DWAF: W001 – W999</p> <p>The project ranges is not fixed and can be amended according to the municipalities needs.</p>
		N701 N702 N703 N704 N705 N706 N707 N708 N709 N710 N711 N712 N713 N714 N730 N731 N732 N733 N734 N735 N736 N737 N738 N739 N740	<p><b>INFRASTRUCTURE</b> IN: Roads, Pavements &amp; Bridges IN: Stormwater IN: Elec. Generation IN: Elec. Transmission, Retic IN: Elec. Street Lighing IN: Water, Dams &amp; Reservoirs IN: Water Purification IN: Water Reticulation IN: Sanitation Reticulation IN: Sanitation Sewer Purification IN: Other Waste Management IN: Other Transportation IN: Other GAS IN: Other</p> <p><b>COMMUNITY</b> CO: Parks &amp; Gardens CO: Sportfields &amp; Stadions CO: Swimming Pools CO: Community Halls CO: Libraries CO: Recreation Facilities CO: Fire, Safety &amp; Emergency CO: Security &amp; Policing CO: Buses CO: Clinics CO: Museums &amp; Art Galaries</p>		

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
		N741 N742 N743  N750 N751  N755 N756  N760 N761 N762 N763 N764 N765 N766 N767 N768 N769 N770 N771  N775  N776  N777 N778  N790 N791 N792 N793	CO: Cemeteries CO: Social Renting Housing CO: Other <b>HERITAGE ASSETS</b> HE: Buildings HE: Other <b>INVESTMENT PROPERTY</b> IN PROP: Housing Develop IN PROP: Other <b>OTHER ASSETS</b> OA: General Vehicles OA: Specialized Vehicles OA: Plant & Equipment OA: Computers – Hardware/Eq OA: Furniture & Office Equip OA: Abattoirs OA: Markets OA: Civil, Land & Building OA: Other Buildings OA: Other Land OA: Surplus Asset(Invest,Inve OA:Other <b>AGRICULTURAL ASSETS</b> AG: List Sub Class <b>BIOLOGICAL ASSETS</b> BA: List Sub Class <b>INTANGIBLE ASSETS</b> IT: Computers – Software, Pro IT: Other <b>SPECIALISED VEHICLES</b> SV: Refuse SV: Fire SV: Conservancy SV: Ambulances		
9900	<b>EXTERNAL FINANCING FUND EFF-CONTROL ACCOUNTS</b>	9901	Interest Control Account	9901 9903 9905 9907	Balance at the Beginning Interest Received during year Interest Paid during year Interest Charged to Services
		9903	Advances to Services	9901 9903 9905 9907	Balance at the Beginning Interest Received during year Interest Paid during year Interest Charged to Services
		9905	Adv. from EFF:Rates	9911 9913 9915 9917 9919	Balance at the Beginning of Received during the Year Redeemed During the Year Capitalized During the Year Transferred During the Year
		9906	Adv. from EFF: Electricity	9911 9913 9915 9917 9919	Balance at the Beginning of Received during the Year Redeemed During the Year Capitalized During the Year Transferred During the Year
		9907	Adv. from EFF: Water	9911 9913 9915 9917 9919	Balance at the Beginning of Received during the Year Redeemed During the Year Capitalized During the Year Transferred During the Year
		9908	Adv. from EFF: Sewerage	9911 9913 9915 9917 9919	Balance at the Beginning of Received during the Year Redeemed During the Year Capitalized During the Year Transferred During the Year

Main Vote	Description	Sub Vote	Description	Allocation Vote	Description
		9909	Adv. from EFF: Housing	9911 9913 9915 9917 9919	Balance at the Beginning of Received during the Year Redeemed During the Year Capitalized During the Year Transferred During the Year
		9910	Adv. from EFF: Cleansing	9911 9913 9915 9917 9919	Balance at the Beginning of Received during the Year Redeemed During the Year Capitalized During the Year Transferred During the Year

## **ANNEXURE 9: RISK MANAGEMENT POLICY**

### **1 INTRODUCTION**

#### **1.1 Definition**

Enterprise Risk Management (ERM) can be interpreted as being a process; effected by the Municipality's council, management and personnel; to determine a strategy across all the operations of the enterprise, identifying all potential events that may affect the entity achieving its objectives, managing the risk to ensure it remains within its risk appetite, and to finally provide reasonable assurance regarding the achievement of the entity's objectives.

#### **1.2 Framework**

This document sets out the Enterprise Risk Management Framework.

The framework will inform Thembelihle Local Municipality (TLM)'s ERM procedures, planning and implementation. The objective of the framework is to provide direction to achieve the following corporate goals:

- Establishing an Enterprise Risk Management environment;
- Providing TLM Management with an integrated view of Risk Management;
- Establishing roles and responsibilities of various risk management structures; and
- Linking daily performance to risk and control.

The ERM framework takes cognisance of the requirements of the King Code on Corporate Governance for South Africa 2009 (King III), the Municipal Finance Management Act No56 of 2003 (MFMA) and other regulatory requirements.

#### **1.3 Scope**

The scope of the document includes:

- ERM Policy Statement
- ERM Governance Structures
- ERM Roles and Responsibilities
- ERM Strategy Process

## **ENTERPRISE RISK MANAGEMENT POLICY STATEMENT**

The Accounting Officer has committed the Thembelihle Local Municipality to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Municipal Finance Management Act (MFMA), Act no 56 of 2003.

Risk management is recognised as an integral part of responsible management and the Institution therefore adopts a comprehensive approach to the management of risk. The features of this process are outlined in the Institution's Risk Management Strategy below. It is expected that all departments/sections, operations and processes will be subject to the risk management strategy. It is the intention that these departments/sections will work together in a consistent and integrated manner, with the overall objective of reducing risk, as far as reasonably practicable.

Effective risk management is imperative to the Thembelihle Local Municipality to fulfil its mandate, the service delivery expectations of the public and the performance expectations within the Institution.

The realisation of our strategic plan depends on us being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable us to anticipate and respond to changes in our service delivery environment, as well as taking informed decisions under conditions of uncertainty.

We subscribe to the fundamental principles that all resources will be applied economically to ensure:

- The highest standards of service delivery;
- A management system containing the appropriate elements aimed at minimising risks and costs in the interest of all stakeholders;
- Education and training of all our staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations; and

- Maintaining an environment, which promotes the right attitude and sensitivity towards internal and external stakeholder-satisfaction?

An entity-wide approach to risk management will be adopted by the Institution, which means that every key risk in each part of the Institution will be included in a structured and systematic process of risk management. It is expected that the risk management processes will become embedded into the Institution's systems and processes, ensuring that our responses to risk remain current and dynamic. All risk management efforts will be focused on supporting the Institution's objectives. Equally, they must ensure compliance with relevant legislation, and fulfill the expectations of employees, communities and other stakeholders in terms of corporate governance.

The risk policy statement shall be reviewed annually to reflect the current stance on risk management.

Every employee has a part to play in this important endeavour.

### **3 ERM GOVERNANCE AND ORGANISATIONAL STRUCTURE**

#### **3.1 Governance Structure**

- Risk management is ultimately the responsibility of the Accounting Officer.
- A Risk Management Committee will be established to implement ERM.

#### **3.2 Roles and Responsibilities**

##### **TLM Municipal Manager**

The Municipal Manager (MM) is ultimately accountable for risk management. The Municipal Manager will:

- Develop and communicate the Municipality's risk management policy and information about the risk management programme to all staff, and where appropriate to other stakeholders;
- Provide stakeholders with the assurance that key risks are properly identified, assessed, mitigated/managed and monitored;
- Maintain a formal risk management policy for the Municipality;

- Formally evaluate the effectiveness of the Municipality's risk management process on an annual basis; and
- Confirm that the risk management process is accurately aligned to the strategy and performance objectives of the Municipality.

### **Audit Committee**

The Audit Committee is an independent committee responsible for oversight of the municipality's control, governance and risk management.

The Audit Committee has a defined mandate and terms of reference which include the following responsibilities regarding risk management:

- Providing the MM with independent counsel, advise and direction in respect of risk management;
- Providing an independent and objective view of the municipality's risks and adequacy and effectiveness of the risk management processes;
- Ensuring that internal audit plans, risk philosophy, strategy, policies are aligned to the risk profile of the institution;
- Ensuring that risk definitions and contributing factors, together with risk policies, are formally reviewed annually;
- Ensuring compliance with the Municipality's risk policies and strategy.

### **Risk Management Committee**

The Risk Management Committee is appointed by the Accounting Authority/MM to assist it in addressing its oversight responsibilities for risk management and evaluating and monitoring the institution's performance with regards to risk management.

The Risk Management Committee has a defined mandate and terms of reference which include the following:

- Ensuring that a risk management policy, strategy, frameworks and procedures is formalised, functional and monitored to comply with applicable legislation/statutory requirements
- Ensuring that the MM approves the risk tolerance/appetite and risk priority framework;
- Giving guidance on the structures and systems to be used by the departments/divisions of the municipality to prudently manage risks;
- Ensuring that risk definitions and contributing factors, together with risk policies are formally reviewed.
- Determining risk management delegation of responsibility and authority;

- Reviewing the adequacy and overall effectiveness of risk management within the Municipality's Divisions, business units and processes with regards to implementation by management and ensuring that appropriate action is taken or controls are implemented to mitigate risks.

## **Management**

Management is accountable for designing, implementing and monitoring the process of risk management and integrating it into the day-to-day activities of the Municipality.

## **4 RISK MANAGEMENT STRATEGY**

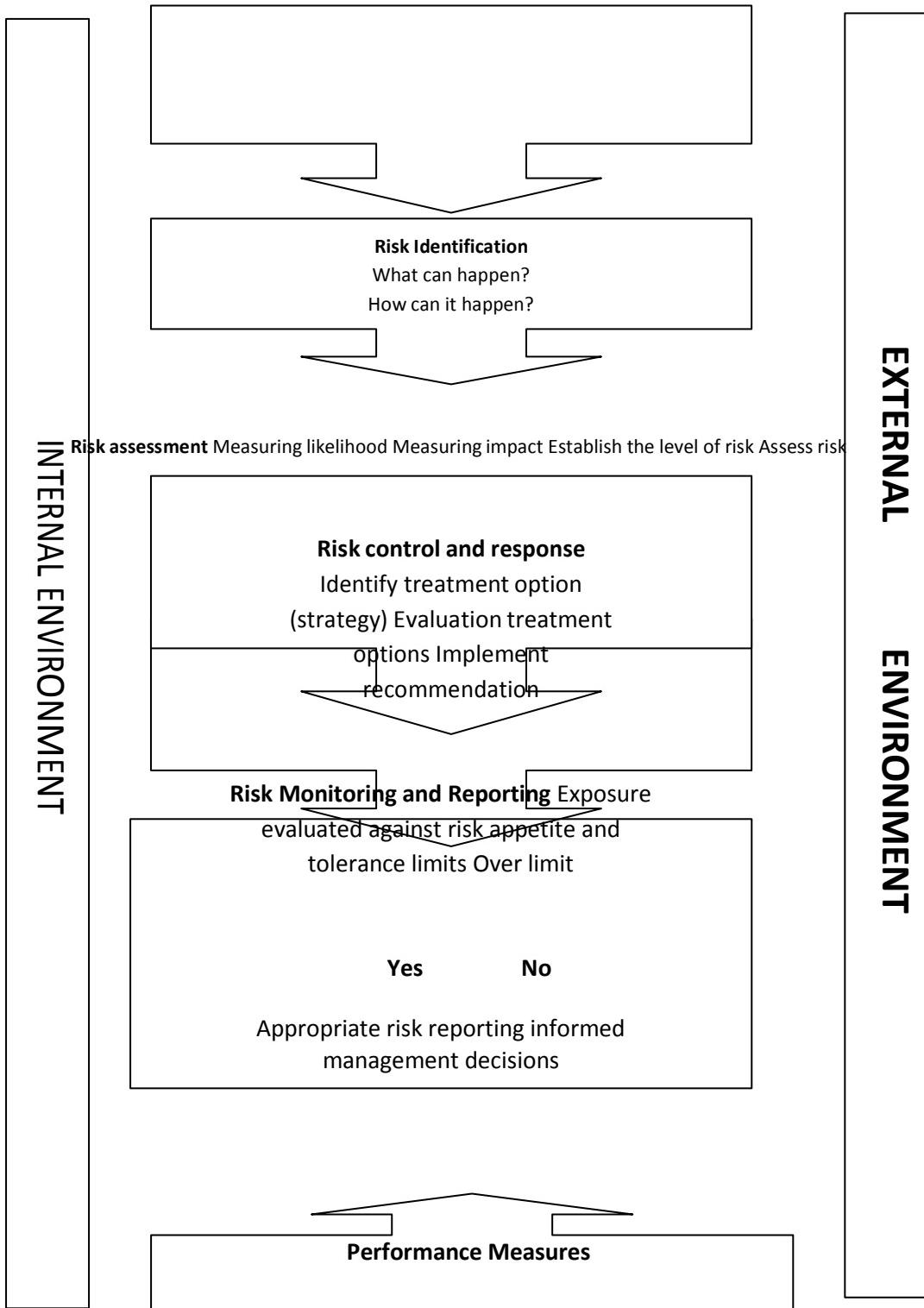
A brief summary of the risk management strategy has been outlined below:

### **4.1 Risk methodology**

The ERM methodology of TLM consists of the following interrelated components: internal environment, objective setting, risk identification, risk assessment, risk control and response, risk monitoring and reporting, and risk performance measurement. These components are derived from best practice with respect to ERM governance.

The diagram below outlines the components of the ERM process cycle.

**Risk Governance**  
Organisational Context  
Risk Management  
Context



## **Risk Governance**

Internal environment factors include an entity's risk management philosophy; its risk appetite; oversight by the Council, the integrity, ethical values and competency of the entity's people; and the way management assigns authority and responsibility and organizes and develops the municipality's employees.

Risk appetite is established by management with oversight of the MM and is the amount of risk exposure, or potential adverse impact from an event that TLM and/or its Divisions are willing to accept or retain.

While operational, business/commercial and financial market risks cannot be completely eliminated, they can be minimised through effective management and transfer.

Objectives are set at a strategic level establishing a basis for operations, reporting and compliance objectives. TLM faces a variety of risks from external and internal sources, and a precondition to effective risk identification, risk assessment and risk response is the establishment of objectives. Objectives must be aligned with TLM's risk appetite, which drives risk tolerance levels for the company.

### **4.3 Risk Identification**

Risk identification entails compiling a detailed list and concise description of all strategic, operational, business/commercial and financial/market risks that TLM/respective Divisions could potentially be exposed to in the foreseeable future that would threaten the achievement of TLM/respective Division's business objectives, both in the long term and short term.

### **4.4 Risk Assessment**

All identified risk exposures are to be assessed and prioritised in terms of the approved risk methodology. Risk assessment allows an entity to consider the extent to which potential events have an impact on the achievement of objectives. Management assesses events from two perspectives, likelihood and impact, and normally uses a combination of qualitative and quantitative methods. Risks are assessed on both an inherent and residual basis. Please see appendix A for rating tables.

### **4.5 Risk Control & Response**

A decision as to whether or not to terminate, transfer, tolerate or treat the relevant risk must at all times be made. In considering their response, management assesses the effect on risk likelihood and impact, as well as cost versus benefit, selecting a response that brings residual risk within desired risk tolerances.

Management identifies and implements controls, mitigations and interventions to mitigate the risks. This will include the identification of the risk owner, actions required, due dates thereof, and evaluating the effectiveness of the controls.

## **4.6 Risk Monitoring & Reporting**

All risk exposures will continually/periodically be evaluated against risk appetite and tolerance limits. Risk monitoring is aimed at improving the current stage of risk management from basic to advance in terms of risk governance, risk assessments, risk quantification, risk reporting and risk control optimisation. Risk reporting will involve the production of appropriate risk reports to enable and enhance informed decision making by management and where necessary, the Board.

## **4.7 Performance Measurement**

Risk Management's performance will be measured and monitored through the following performance management activities:

- Monitoring of progress made by management with the implementation of the ERM methodology;
- Monitoring of key risk indicators;
- Monitoring of loss and incident data;
- Progress made with risk mitigation action plans; and
- Annual quality assurance review of ERM performance by the Internal Audit Function, which must also report on its review to the Municipal Audit Committee.

## 5. RISK MANAGEMENT DEFINITIONS

### Common risk language for ERM

<b>BASIC TERMS</b>	<b>DEFINITION</b>
Assurance	Assurance relates to the likelihood that planned objectives will be achieved within an acceptable degree of residual risk.
Frequency	Measure of likelihood expressed as the number of occurrences of an event in a given time.
Chief Risk Officer	A paid official of the public body who has no <i>other</i> responsibilities except for advising on, formulating, overseeing and managing all aspects of an organisation's risk management system  <b>OR</b>  may have other duties/responsibilities for which he/she is responsible but is also <i>primarily</i> responsible for advising on, formulating, overseeing and managing all aspects of an organisation's risk management system  <b>AND</b>
Consequence (or Impact or Severity)	Outcome of an event.  Note 1:There can be more than one consequence from one event.  Note 2:Consequences range from positive to negative. However, consequences are always negative for safety aspects.
Corrective controls	Assist in recovering from an adverse incident and are attached to the consequence. They also assist in reducing the impact of a risk.
Cost of risk	Costs associated with:

	<p>Insurance premiums</p> <p>Self-retained losses (incurred loss)</p> <p>Loss control expenses including safety, security, property conservation, quality control programs, etc.</p> <p>Administrative costs (internal and external) including internal claims staff, fees paid to brokers, risk management consultants, outside claims and loss control services, plus</p>
Consequence	Outcome or impact of an event.
Context	A generic term that in effect places a boundary around the subject matter that makes it easier to identify the risks and follow a risk management process – Contexts can be
Control	Comprises those elements of an organisation (including its policies, resources, systems, processes, culture, structure and tasks) that taken together, support people in the
Control activities	Routines established to provide assurance that processes operate as designed and meet the requirements of the organisation's policies (management practices or
Control criteria	Criteria that are the basis for understanding control in an organisation and for making judgments about the
Control elements	Any part of the organisation, or relationship between parts of an organisation, that contributes to reliable achievement
Corrective Controls	Assist in recovering from an event that are attached to the
Delphi	A technique used whereby a group of individuals are required to identify, analyse and assess risks and control based on expert knowledge and the collective ranking or
Enterprise-wide Risk	A process effected by the Municipal Council, management and other personnel designed to identify

Management	potential events that may affect the entity.
Event	<p>Incidents or occurrences from sources internal or external to the entity, that effects achievement of objectives.</p> <p>Note 1: The event can be certain or uncertain.</p> <p>Note 2: The event can be a single occurrence or a series of occurrences.</p>
Formal control	Control processes of assigning, monitoring, reviewing and
Frequency	A measure of the number of occurrences per unit of time
Inherent control	Control activities that promote purpose, capability, commitment, monitoring and learning and information throughout the organisation and are reliant on sound HR,
Inherent Risk	The risk to an organisation in the absence of any management controls, treatments, etc., which is used to
Interested Party	<p>Person or group having an interest in the performance or success of an organisation. Example: Customers, owners, people in an organisation, suppliers, bankers, unions, partners or society.</p> <p>Note 1 : A group can comprise an organisation, a part</p>
Hazard	A source of potential harm.
Key Risks	Strategic, tactical and operational risks which the
Likelihood	Used as a generic description of probability or frequency.
Loss	Any negative consequences, or adverse effect, financial or
Mitigation	Limitation of any negative consequence of a particular
Opportunity analysis	Systematic use of available information to determine the

	likelihood of potential opportunities arising and the potential magnitude of the positive consequences resulting from
Organisation	A group of people and facilities with an arrangement of responsibilities, authorities and relationships working together to achieve objectives.  <u>Note 1:</u> This includes the entity its governing body
Organisational	The long-term results, with appropriate key performance
Preventative controls	Prevent risks from occurring and are attached to the risk.
Probability	Extent to which the event is likely to occur which is expressed as a number between 0 and 1.  Note 1: Frequency (the property of an event occurring at intervals) rather than probability (the relative likelihood of an event happening ) may be used in describing risk.  Note 2: Degrees of belief about probability can be chosen as classes or ranks, such as rare/unlikely/moderate/likely/ almost certain, or incredible/improbable/remote/occasional/
Process Champion	A senior executive within the TLM who will lend support to the process and ensure senior management's buy-in. The risk process champion ensures that the Risk Officer (RO) is provided with the necessary resources, capabilities and authority in order to fulfil the requirements of the Risk Management Framework.
Qualitative analysis	Uses word form or descriptive scales to describe the
Residual Risk	The level of risk remaining after risk treatment/s have been
Risk	Combination of the probability (likelihood) of an event, and its consequence (impact).  Note 1: Risk is a condition in which the possibility of

	<p>of deviation from the expected outcome or event.</p> <p>Note 3: Risk arises as much from failing to capture business opportunities when pursuing strategic and operational objectives as it does from a threat that</p>
Risk Acceptance	<p>Decision to accept a risk.</p> <p>Note 1: The verb “to accept” is chosen to convey the idea that acceptance has its basic dictionary meaning.</p> <p>Note 2: Risk acceptance depends on risk tolerance levels as well as cost of control exceeds benefits to be obtained.</p>
Risk Aggregation	The process used to determine the collective impact of
Risk Appetite	<p>The amount of risk an entity is willing to accept in pursuit of value.</p> <p>Note 1: Can also mean the level of residual risk that the organization is prepared to accept without further mitigation action being put in place.</p> <p>Note 2 An organization’s risk appetite will vary from risk</p>
Risk Analysis	<p>Systematic use of information to identify sources and to estimate the risk.</p> <p>Note 1: Risk analysis provides a basis for risk evaluation, risk treatment and risk acceptance.</p> <p>Note 2: Information can include historical data, theoretical analysis, informed opinions, and the concerns</p>
Risk Assessment	<p>Overall process of risk identification, risk analysis and risk evaluation in order to identify potential opportunities or minimise loss.</p> <p>Note 1: Risk assessment can be of a speculative nature (i.e. opportunity cost, poor operational efficiency, social impact on the TLM, etc.) as well as pure perils (loss of assets, revenue etc.).</p>
Risk Avoidance	Decision not to become involved in, or action to withdraw

	<p>Note 1: The decision may be taken based on the</p>
Risk Categorisation -	The process to group identified risks according to common
Risk Champions	The risk champions assist the RO in the fulfilment of their duties. These persons can be in line management in the TLM but have an alternative reporting line to the RO.
Risk Criteria	<p>Terms of reference by which the significance of risk is assessed.</p> <p>Note 1: Risk criteria can include associated cost and benefits, legal and statutory requirements, socio economic and environmental aspects, the concern of stakeholders, priorities and other inputs to the assessment.</p>
Risk Communication	<p>Exchange or sharing of information about risk between the decision-maker and other stakeholders.</p> <p>Note 1: The information can relate to the existence, nature, form, probability, severity, acceptability, treatment or other aspects of risk.</p>
Risk control	The part of risk management that involves the implementation of actions, policies, standards, procedures and physical changes to mitigate adverse risks.
Risk Driver	The technical, programmatic and supportability facets of risk.
Risk Estimation	<p>Process used to assign values to the probability and consequences of a risk.</p> <p>Note 1: Risk estimation can consider cost, benefits, the concerns of stakeholders and other variables, as appropriate for risk evaluation</p>
Risk Evaluation	<p>Process of comparing the estimated risk against given risk criteria to determine the significance of the risk.</p> <p>Note 1: Risk evaluation may be used to assist in the decision to accept or to treat a risk.</p>
Risk Exploitation	A proactive and conscious decision to take on new risks or
Risk Financing	Provision of funds to meet the cost of implementing risk

	<p>treatment/s and related costs.</p> <p>Note 1: In some industries, risk financing refers to funding only the financial consequences (insurance) related to the risk.</p>
Risk Identification	<p>Process to find, list and characterize elements of risk.</p> <p>Note 1: Elements can include source or hazard, event, consequence and probability.</p> <p>Note 2: Risk identification can also reflect the concerns of stakeholders.</p>
Risk level	<p>The level of risk calculated as a function of likelihood and impact or by combining the estimates of likelihood and impact.</p> <p>Note 1: The term risk rating is also used to describe the <del>risk level</del>.</p>
Risk Management	<p>Set of elements of an organization's management structure that is directed towards realizing potential opportunities whilst managing adverse effects.</p> <p>Note 1: Management system elements can include strategic planning, decision making and other processes for dealing with risks.</p> <p>Note 2: The culture of an organization is reflected in its</p>
Risk Management Process	<p>The systematic application of management policies, procedures and practices to the tasks of communicating, establishing the context, identifying, analyzing, evaluating, treating, monitoring and reviewing risk.</p>
Risk Matrix	<p>The numbers of levels of probability and consequences chosen against which to measure risk.</p> <p>Note 1: Some Corporations will use five measures of each, others three measures, others seven measures etc. For convenience it would be easier if the TLM utilised one 5x5 element matrix for risk reporting (although other</p>
Risk Mitigation	<p>The limitation of any negative consequence of a particular event where the cost of risk is less than the cost of control.</p> <p>Note 1: Risk criteria can include associated cost and</p>

	benefits, legal and statutory requirements, socio economic and environmental aspects, the concern of stakeholders, priorities and other inputs to the assessment.
Risk Optimization	<p>Process, related to a risk to minimize the negative and to maximize the positive consequences and their respective probabilities.</p> <p>Note 1: In the context of safety, risk optimization is focused on reducing the risk.</p> <p>Note 2: Risk optimization depends upon risk criteria, including costs and legal requirements.</p> <p>Note 3: Risks associated with risk control can be considered.</p>
Risk owner	Individual, business unit or other stakeholder that has the responsibility for the management of a cluster or specific risk or a profile of risks.
Risk Perception	<p>Way in which a stakeholder views a risk based on a set of values or concerns.</p> <p>Note 1: Risk perception depends on the stakeholder</p>
Risk Profile	Holds a collection of risks in one place and in the context of the risk categories and types, for the group, divisions,
Risk Reduction	Actions taken to lessen the probability negative
Risk Register	A formal listing of risks identified, together with the results of the risk analysis, risk evaluation procedures together with details of risk treatment, risk control, risk reduction
Risk Retention	<p>Acceptance of the burden of loss, or benefit of gain, from a particular risk.</p> <p>Note 1: Risk retention includes the acceptance of risks that have not been identified.</p>

	Note 3: There can be variability in the degree of
Risk Tolerance level	The acceptable level of variation relative to the
Risk Tracking	The monitoring of key risks over time to determine whether
Risk Transfer/Sharing	<p>Sharing with another party the burden of loss or benefit of gain, for a risk.</p> <p>Note 1: Legal or statutory requirements can limit, prohibit or mandate the transfer of certain risk.</p> <p>Note 2: Risk transfer can be carried out through insurance or other agreements.</p> <p>Note 3: Risk transfer can create new risks or modify existing risk.</p>
Risk Treatment	<p>Process of selection and implementation of measures to modify risk.</p> <p>Note 1: The term “risk treatment” is sometimes used for the measures themselves.</p> <p>Note 2: Risk treatment measures can include avoiding, optimizing, transferring or retaining risk.</p> <p>Note 3: The most commonly used risk treatment terms are avoid, retain, reduce, transfer, exploit.</p>
Semi-quantitative Analysis	<p>Assigns a weighting to each qualitative descriptor of impact and likelihood.</p> <p>Note 1: The multiplication of the two weightings indicates a more precise level of risk.</p>
Source	Item or activity having a potential for a consequence.
Source Identification	<p>Process to find, list and characterize sources.</p> <p>Note 1: In the context of safety, source identification is called hazard identification.</p>
Stakeholder	<p>Any individual, group or organization that can affect, be affected by or perceive itself to be effected by, a risk.</p> <p>Note 1: The decision-maker is also a stakeholder.</p>

Quantitative Analysis	Uses numerical values for both likelihood and impact.
Qualitative Analysis	Any method of analysis which uses description rather than

## 6. LEGISLATIVE AND OTHER REFERENCES

1. King M.E., 2009 "The King Report on Corporate Governance" by King Committee on Corporate Governance. The Institute of Directors in South Africa: Johannesburg.
2. Municipal Finance Management Act, Act No. 56 of 2003.
3. Municipal Structures Act, Act No. 117 of 1998.
4. Municipal Systems Act, Act No. 32 of 2000.
5. COSO, 2004 ERM – Integrated Framework
6. ISO 31000:2009 Risk Management
7. OHSAS 18001:2007: 2007, Occupational Health and Safety Management Specifications
8. Public Sector Risk Management Framework : National Treasury

## APPENDIX A - RATING TABLES

### Qualitative assessment of potential impact taking current controls into consideration

The following table is to be used to assist management in quantifying the potential that a risk exposure may have on the Municipality

Score	Title	Description
5	Catastrophic/ fundamental	Disaster with the potential to significantly harm the business and is fundamental to the non-achievement of objectives.
4	Critical	Critical event which can be endured but which may have a prolonged negative impact and extensive consequences.
3	Serious	Major events which can be managed but requires additional resources and management effort.
2	Significant	Event which can be managed under normal operating conditions.
1	Minor	Not worth worrying about.

### Qualitative assessment of probability of occurrence taking current controls into consideration

The table below is to be used to assist management in quantifying the probability of specific risk occurring.

Score	Title	Description
5	Almost Certain	The event is expected to occur in most circumstances.
4	Likely	The event will probably occur in most circumstances.
	Moderate	The event should occur at some time.
2	Unlikely	The event could occur at some time.
1	Rare	The event may occur in exceptional circumstances.

## **Residual risk exposure**

Residual risk is the product of impact and likelihood. The risk appetite for organisation level residual risk is as follows

<b>Score</b>	<b>Title</b>	<b>Description</b>
<b>From 13 to 25</b>	<b>Unacceptable/ High</b>	Take action to reduce risk with highest priority, accounting officer and executive authority attention
<b>From 8 to 12</b>	<b>Cautionary/ Medium</b>	Take action to reduce risk, inform senior management
	<b>Acceptable/Low</b>	No risk reduction- control, monitor, inform management

## **APPENDIX B- RISK CATEGORIES**

The following are some of the risk categories:

### **Processes**

- Asset management
- Budgeting and reporting
- Revenue management
- Expenditure management including payments
- Supply chain management.
- Infrastructure and services
- Information technology.
- Security and auxiliary services
- Health and community services
- Social services
- Housing
- Disaster management and fire services.
- Corporate services (human resources and administration).
- LED.
- Environmental management
- Communications.
- Regulatory/ statutory requirements (legal).
- Local community and local municipal stakeholders (public participation).

## ANNEXURE 10: CELL PHONE POLICY

### **1 Purpose**

The purpose of this policy is to regulate the procurement for, and use of cell phones by, councillors and staff of the Municipality.

### **2. Provision of Cell Phones by Municipality for Permanent use**

2.1 The following councillors and staff of the Municipality (such councillors and staff being referred to as "recipients") will be provided with cell phones (such cell phones being referred to as "provided cell phones") at the expense of the Municipality. This expense shall include the monthly rental and other fixed costs associated therewith, and shall be limited to the following amounts:

#### **Cell Phones**

Mayor	Gazetted amount
Part-time Councillors	Gazetted amount
Municipal Manager	R2 750.00
S57 Managers	R2 150.00
S56 Managers	R 1 100.00
Contractual Managers	R 850.00
Essential Users (MM's Discretion)	R 500.00 (unless another amount is approved by the Municipal Manager).

#### **Data cards**

Mayor	Gazetted amount
Part-time Councillors	Gazetted amount
Municipal Manager	R400 p.m.
S57 Managers	R400 p.m.
S56 Managers	R400 p.m.
Contractual Managers	500 mb
Essential Users (MM's Discretion)	500 mb

2.2 The Municipal Manager shall have the sole discretion as to which make and model of cell phone shall be provided to any recipient.

- 2.3 Provided cell phones remain the property of the municipality, and must be returned by recipients to the Municipality on demand by the Municipal Manager, or when a councillor ceases to serve as such or when a staff member ceases to be employed by the Municipality.
- 2.4 If any provided cell phone is lost or stolen, that fact must be reported immediately by the recipient to the Municipal Manager and the South African Police Service.
- 2.5 Recipients must at all times take due care of provided cell phones.
- 2.6 If any provided cell phone is damaged or requires servicing, the recipient shall immediately deliver the cell phone to the Municipal Manager who, subject to the provisions of this policy, shall take such steps as may be necessary to have same repaired or serviced.
- 2.7 If any provided cell phone is lost, stolen or damaged beyond repair, the Municipal Manager shall, subject to the provisions of this policy, take such steps as may be necessary to have same replaced.
- 2.8 If the provided cell phone is insured and an excess is needed to get the lost or stolen phone replaced, the municipality reserves the right to recover the insurance excess from such councillor or employee.
- 2.9 If any provided cell phone is damaged, lost or stolen due to the negligence or deliberate act of the recipient, the Municipal Manager may require the recipient to pay the cost of repairing or replacing the cell phone, and the Municipal Manager shall not be obliged to repair or replace same until the recipient pays such cost.

### **3. Procurement of Cell Phones and Related Services**

- 3.1 A “municipal cell phone” shall mean a cell phone (including the SIM card) obtained by the Municipality for purposes of section 2.
- 3.2 Contracts for the procurement of municipal cell phones and for the provision of airtime, insurance and related services may be entered into only in accordance with the Municipality’s Supply Chain Management Policy.
- 3.3 Air time for municipal cell phones may be obtained only on a contract basis, and shall not be obtained on a “pay-as-you-go” basis.
- 3.4 A contract for the acquisition and use of a municipal cell phone must provide that an itemised bill will be issued each month for airtime used on that cell phone.
- 3.5 Each municipal cell phone must be insured by the relevant service provider.

### **4. Use of Municipal Cell Phones**

- 4.1 Municipal cell phones may be used only for official municipal business. The use of Municipal cell phones for private matters may only be done in exceptional circumstances.

- 4.2 No international calls may be made from any municipal cell phone.
- 4.3 Any person who fails to comply with the provisions of 4.1 and 4.2 shall be liable to reimburse the municipality for the costs of the calls made in contravention thereof, and shall also be liable to disciplinary action.
- 4.4 Itemised bills for each municipal cell phone will be obtained each month. A copy of each such bill shall be made available by the Municipal Manager to the recipient of the provided cell phone concerned. If requested by the Municipal Manager, the recipient shall inform the Municipal Manager in writing of the identity of the person to whom any or every call reflected in such bill was made, and if requested, shall justify in writing the making of any or every such call as being for official business purposes.
- 4.5 Recipients of provided cell phones are expected to keep such phones switched on at all reasonable times so as to ensure that they are contactable.
- 4.6 The maximum amount of the usage or airtime charges which the municipality shall pay for each recipient in each month is set out in 2.1. If any recipient exceeds this amount, he or she shall be liable to reimburse the Municipality for the excess unless approved by the Municipal Manager.
- 4.7 If any recipient incurs usage or airtime charges in any month which are less than the maximum amount stated in section 2.1, the shortfall will be forfeited by the user.
- 4.8 If the Municipal cell phone contract has expired or due for upgrade, the employee or councillor can buy the cell phone at a sum of R100.
- 4.9 If the Municipal cell phone contract is not due for upgrade and the employee's/ councillor's term of office has expired or resigned and wants to retain the cell phone & SIM card, the recipient will be liable to pay a fee for the cell phone that will be determined by the Municipal Manager at that time and also transfer the contract from the Municipality's account to his/her account before the recipient's last date of resignation.
- 4.10 Failure by any Municipal employee and councillor to comply with section 4.8 and 4.9 shall be deemed as an offence and disciplinary action & other law enforcements will apply.

## **5. Use of Private Cell Phones**

- 5.1 The Municipal Manager may authorise a councillor or staff member to whom a cell phone has not been provided under section 2 to use his or her personal cell phone for business purposes, subject to such limitations ( including as to costs) and conditions as the Municipal Manager may deem fit.
- 5.2 Only a cell phone for which air time is provided on a contract basis and for which an itemised bill is provided may be used for purposes of this section.

5.3 A person who is authorised to use his or her personal cell phone under section 5.1 shall be entitled to claim reimbursement from the municipality only for the costs (as billed to such person) incurred in making actual calls for business purposes in accordance with the limitations and conditions contemplated in 5.1. The Municipality shall not be liable to pay any portion of such person's fixed cell phone costs or other operating costs. The maximum amount which may be claimed each month hereunder (which shall in any event be subject to any limitation imposed by the Municipal Manager under 5.1) shall not exceed R200.00, provided that the Municipal Manager of the Municipality may in any particular case authorise a higher maximum amount.

5.4 Claims for the reimbursement of the costs of such calls shall be made as follows:

5.4.1 Any such claim must be submitted to the Chief Financial Officer within 10 days of the last day of the month in which the cost is incurred;

5.4.2 The claim must be made in the form approved by the Municipal Manager, and must be accompanied by a copy of the cell phone airtime bill issued to the person concerned, on which the calls for which the claim is made are clearly highlighted;

5.4.3 The claim must be signed by the claimant as well as by the Municipal Manager and the head of the relevant department;

5.4.4 If the claim is in order, the claimant should be reimbursed within 7 days of submitting the claim.

5.5 No person shall be entitled to be reimbursed for the costs of calls made on his or her private cell phone unless he or she has been authorised to use such cell phone under this section.

5.6 A recipient to whom a cell phone has been provided in terms of section 2 shall not be authorised to use his or her private cell phone for business purposes and be reimbursed for such use unless the provided cell phone has been lost or stolen or is undergoing repairs or servicing and no replacement phone has been provided to him or her

## **6. Reporting**

The Chief Financial Officer shall report to the Municipal Manager every month on the following:

6.1 The total expenditure on cell phones for each recipient in each month;

6.2 The total expenditure on cell phones for the entire municipality (including charges relating to use of private cell phones);

6.3 Contraventions of this policy in every month, and the identities of persons so contravening it;

6.4 Losses and theft of cell phones in every month.

## **7. Introducing this policy**

Due to the fact that there are some existing arrangements with regards cell phones between the Municipality and Councillors/Staff, it is stated that this cell phone policy will be phased in over a period not exceeding 24 months (or 31 August 2015). During this time all existing cell phone/data contracts will continue until it reaches its normal expiry date. Once the expiry date is reached, it will be compulsory to enter into a new agreement in accordance with this policy.

## **8. Administration of Policy**

The Municipal Manager shall be responsible for the administration and enforcement of this policy, provided that he may delegate any of his functions hereunder to any member or members of staff of the Municipality.

## **ANNEXURE 11: ASSET MANAGEMENT POLICY**

### **1. INTRODUCTION**

#### **1.1 AIM OF THIS DOCUMENT**

This document is provided to assist management and employees of THEMELIHLE Municipality to implement and maintain consistent, effective and efficient fixed asset management principles.

**The objective of this document is aimed at:**

- Safeguarding the fixed assets of the THEMELIHLE Municipality to ensure effective use of existing resources
- Emphasizing a culture of accountability over fixed assets owned by the THEMELIHLE Municipality.
- Ensuring that effective controls are communicated to management and staff through clear and comprehensive written documentation.
- Providing a formal set of procedures to ensure that the THEMELIHLE Municipality's fixed asset policies are achieved and are in compliance with the Municipal Finance Management Act (MFMA) and National Treasury, IMFO and Accounting Standards Board directions, instructions, principals and guidelines.

This manual supercedes/replaces all previously issued fixed asset management policies and/or procedures and/or instructions and should be read together with the provisions of Section 63 of the MFMA.

#### **1.2 DEPARTURES FROM FORMAL POLICIES AND PROCEDURES**

- 1.2.1** Any departures from the approved policies and procedures stated in this manual will require the prior written approval of the Chief Financial Officer.
- 1.2.2** Failure to comply with the prescribed policies and procedures will result in the institution of disciplinary procedures in terms of the Human Resource policies & procedures.

#### **1.3 CHANGES TO FIXED ASSET MANAGEMENT POLICY AND/OR PROCEDURE MANUALS**

- 1.3.1** All changes made to either the Fixed Asset Management Policies or Procedures must be processed timeously and communicated via the proper channels of communication to all asset holders.
- 1.3.2** The following steps will apply for the control and management of changes to the Fixed Asset Management Policy or Procedure Manuals:

- 1.3.2.1** The Chief Financial Officer is appointed as custodian of the Fixed Asset Register and Fixed Asset Management Policy and Procedure manuals. The custodian is ultimately responsible for the control of the Fixed Asset Management Policies and Procedures.
- 1.3.2.2** All recommended changes or requests for changes are recorded on the change request form that will detail the suggested changes together with reasons for such change.
- 1.3.2.3** The change request form is authorized by the relevant Departmental Head. The authorized change request form is forwarded to the custodian.
- 1.3.2.4** The custodian circulates the change request between Heads of Departments for comments for a defined period. All comments are forwarded back to the custodian.
- 1.3.2.5** The Chief Financial Officer submits the proposal to the Municipal Manager for Council's approval in the case of changes to the Fixed Asset Management Policies or final approval in the case of changes to the Fixed Asset Management Procedures.
- 1.3.2.6** Changes in policies will be effective within one week after final approval has been received.
- 1.3.2.7** The custodian is ultimately responsible for applying the changes and finalizing the Fixed Asset Management Policy and Procedure manuals. The new document is made available in its entirety within one week after final approval has been received with clear indications of the changes.
- 1.3.2.8** It remains the responsibility of all employees to keep themselves familiarized with the Fixed Asset Management Policies and Procedures.
- 1.3.2.9** Failure to apply the changes in the Fixed Asset Management Policies or Procedures from the date of implementation will result in the institution of disciplinary procedures in terms of the human resource policies & procedures.

## **1.4 DELEGATION OF AUTHORITY**

- 1.4.1** Full responsibility for internal control over fixed assets within a department rests with the relevant Head of Department, who must ensure that appropriate and adequate arrangements exist to safeguard all fixed assets and that the Asset Management Policies and Procedures are complied with and that the records are maintained in as complete and accurate form as possible.
- 1.4.2** Head(s) of Department(s) must ensure that all movements of fixed assets or other related changes, i.e. purchases, transfers, disposals, losses, impairments, upgrades, be communicated to the custodian in the manner prescribed in the Fixed Asset Management Procedure manual.
- 1.4.3** Head(s) of Department(s) must ensure that the inventory listing of fixed assets under control of asset holders is a true reflection of the assets under the asset holder's control. Regular independent checks should be conducted by the Head(s) of Department(s) or their delegates. Assistance and advice on internal control procedures can be obtained from the custodian of the fixed asset register or the appointed representative.

## **CHAPTER 1: DEFINITIONS**

**Assets** are resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity. (GRAP 1)

A **fixed asset** is defined in GRAP 17 as a tangible item of property, plant or equipment held by the Municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and which is expected to be used during more than one reporting period (financial year).

A fixed asset is thus an asset, either movable or immovable, under the control of the Municipality, and from which the Municipality reasonably expects to derive economic benefits, or reasonably expects to use in service delivery, over a period extending beyond one financial year.

To be recognized as a fixed asset, an asset must also meet the criteria referred to in Chapters 13, 14 and 15 below.

An asset held under a finance lease, shall be recognized as a fixed asset, as the Municipality has control over such an asset even though it does not own the asset.

The definitions regarding fixed assets as prescribed in the applicable accounting standards are the accepted definitions and are to be applied in the management, control and reporting on fixed assets.

Other definitions:

**Carrying Amount**

The amount at which an asset is included in the statements or financial position after deducting any accumulated depreciation and any impairment losses thereon.

**Cost**

The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition and/or construction.

**Fair Value**

The amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

**GRAP**

Standards of Generally Recognized Accounting Practice

<b>IAS</b>	International Accounting Standards
<b>MFMA</b>	Refers to the Local Government: Municipal Finance Management Act
<b>CFO</b>	Chief Financial Officer
<b>MM</b>	Municipal Manager
<b>HOD</b>	Head(s) of Department(s)
<b>Municipality</b>	THEMBELIHLLE Municipality
<b>PPE</b>	Property, Plant & Equipment

## ***CHAPTER 2: RESPONSIBILITIES***

### ***Municipal Manager (MM)***

As accounting officer of the Municipality, the MM shall be the principal custodian of all the Municipality's fixed assets, and shall be responsible for ensuring that the Fixed Asset Management Policy and Procedures are scrupulously applied and adhered to.

### ***Chief Financial Officer (CFO)***

The CFO shall be the fixed asset registrar of the Municipality, and shall ensure that a complete, accurate and up-to-date electronic Fixed Asset Register (FAR) is maintained.

No amendments, deletions or additions to the FAR shall be made other than by the CFO or by an official acting under the written instruction of the CFO.

Verify assets in possession of the Municipality annually during the course of the financial year.

Report all losses, where applicable, to the Council.

### **Head of Department: Human Resources**

The HOD Human Resources shall ensure that no monies are paid out on termination of services without receiving the asset resignation form, signed off by the relevant Head(s) of Department(s).

### **All Head(s) of Department(s) (HOD) / End Users**

HOD shall ensure:

- That all officials adhere to the approved Asset management Policies and procedures.
- That an employee with delegated authority has been nominated to implement and maintain physical control over assets in his/her Department. The CFO has to be notified who this responsible person is. Although authority has been delegated, the responsibility to ensure adequate physical control over each asset remains with the HOD.
- That the assets are properly maintained in accordance with their respective asset maintenance policies.
- That assets and/or inventory items are not used for private gain.
- That all assets and attractive items are reflected in the FAR.
- That the CFO is notified of any changes in the status of an asset under the HOD's control. This must be done in the prescribed form(s) and timetable(s).
- That on termination of services by an official, all relevant assets (portable and attractive items) are collected and an asset resignation form is issued.

### **CHAPTER 3: FORMAT OF FIXED ASSET REGISTER (FAR)**

The FAR shall be maintained in the format determined by the CFO, which format shall comply with the requirements of GRAP and any other accounting requirements which may be prescribed.

The FAR shall reflect (as minimum) the following information:

- a brief but meaningful description of each asset
- the date on which the asset was acquired or brought into use
- the location of the asset
- the department(s) or vote(s) within which the assets will be used
- the title deed number, in the case of fixed property
- the stand number, in the case of fixed property
- where applicable, the identification number, as determined in compliance with Chapter 10 below
- the original cost, or the revalued amount determined in compliance with Chapter 25 below, or the fair value if no costs are available
- the (last) revaluation date of the fixed assets subject to revaluation
- the revalued value of such fixed assets

- who did the (last) revaluation
- accumulated depreciation to date
- the depreciation charge for the current financial year
- the carrying value of the asset
- the method and rate of depreciation
- impairment losses incurred during the financial year (and the reversal of such losses, where applicable)
- the source of financing
- the current insurance arrangements
- whether the asset is required to perform basic municipal services
- the date on which the asset is disposed of
- the disposal price
- the date on which the asset is retired from use, if not disposed of.

All HODs under whose control any fixed asset falls shall provide the CFO in writing with any information required to compile the FAR, and shall advise the CFO in writing, within 24 hours of any material change which may occur in respect of such information.

A fixed asset shall be capitalized, that is, recorded in the FAR, as soon as it is acquired. If the asset is constructed over a period of time, it shall be recorded as work-in-progress until it is available for use, where after it shall be appropriately capitalized as a fixed asset.

A fixed asset shall remain in the FAR for as long as it is in physical existence. The fact that a fixed asset has been fully depreciated shall not in itself be a reason for writing-off such an asset.

#### **CHAPTER 4: CLASSIFICATION OF FIXED ASSETS**

In compliance with the requirements of the National Treasury, the CFO shall ensure that all fixed assets are classified under the following headings in the FAR and HOD shall in writing provide the CFO with such information or assistance as is required to compile a proper classification:

#### **PROPERTY, PLANT AND EQUIPMENT**

- land (developed and undeveloped)
- buildings (dwellings and non residential dwellings)
- infrastructure assets (assets which are part of a network of similar assets)
- capital / infrastructure work in progress
- other machinery and equipment
- heritage assets (cultural significant resources)
- biological or cultivated assets
- investment property

- intangible assets
- Other assets (ordinary operational resources)

The CFO shall adhere to the classifications indicated in the annexure on fixed asset lives (see Chapter 32 below), and in the case of a fixed asset not appearing in the annexure shall use the classification applicable to the asset most closely comparable to the asset in question.

## **CHAPTER 5: INVESTMENT PROPERTY**

Investment assets shall be accounted for in terms of IAS 40 and shall not be classified as PPE for purposes of preparing the Municipality's statement of financial position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the Municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the FAR in the same manner as other fixed assets, but a separate section of the FAR shall be maintained for this purpose.

Investment assets shall not be depreciated, but shall be annually valued on balance sheet date to determine their fair (market) value. Investment assets shall be recorded in the balance sheet at such fair value. Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned.

An expert valuator shall be engaged by the municipality to undertake such valuations.

If the Council resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where after it shall be reclassified as an investment asset.

## **CHAPTER 6: FIXED ASSETS TREATED AS INVENTORY**

Any land or buildings owned or acquired by the Municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the Municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall

be accounted for as inventory, and not included in either PPE or Investment Property in the Municipality's statement of position.

Such inventories shall, however, be recorded in the FAR in the same manner as other fixed assets, but a separate section of the FAR shall be maintained for this purpose.

#### **CHAPTER 7: RECOGNITION OF HERITAGE ASSETS IN THE FIXED ASSET REGISTER**

If no original costs or fair values are available in the case of one or more or all heritage assets, the CFO may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the FAR without an indication of the costs or fair value concerned.

For balance sheet purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

#### **CHAPTER 8: RECOGNITION OF DONATED ASSETS**

Where a fixed asset is donated to the Municipality, or a fixed asset is acquired by means of an exchange of assets between the Municipality and one or more other parties, the asset concerned shall be recorded in the FAR at its fair value, as determined by the CFO.

#### **CHAPTER 9: SAFEKEEPING OF ASSETS**

Every HOD shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question.

In exercising this responsibility, every HOD shall adhere to any written directives issued by the CFO to the department in question, or generally to all departments, in regard to the control of or safekeeping of the Municipality's fixed assets.

#### **CHAPTER 10: IDENTIFICATION OF FIXED ASSETS**

The MM shall ensure that the Municipality maintains a fixed asset identification system which shall be operated in conjunction with its electronic FAR.

The identification system shall be determined by the MM, acting in consultation with the CFO and other HOD, and shall comply with any legal prescriptions, as well as any recommendations of the Auditor-General as indicated in the Municipality's audit report(s), and shall be decided upon within the context of the Municipality's budgetary and human resources.

Every HOD shall ensure that the asset identification system approved for the Municipality is scrupulously applied in respect of all fixed assets controlled or used by the department in question.

#### **CHAPTER 11: PROCEDURE IN CASE OF LOSS, THEFT, DESTRUCTION, OR IMPAIRMENT OF FIXED ASSETS**

Every HOD shall ensure that any incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in question is promptly reported in writing to the CFO, to the internal auditor, and – in cases of suspected theft or malicious damage – also to the South African Police Service.

#### **CHAPTER 12: CAPITALISATION CRITERIA: MATERIAL VALUE**

No item with an initial cost or fair value of less than R1 000 (one thousand rand per item/group) shall be recognized as a fixed asset. If the item has a cost or fair value lower than this capitalization benchmark, it shall be treated as an ordinary operating expense.

Every HOD shall, however, ensure that any item with a value in excess of R1000 (one thousand rand), and with an estimated useful life of more than one year, shall be reported to the CFO who shall decide whether the portability and attractiveness of the item by its very nature, render it to theft or misplacing and whether it is sufficiently portable to allow removal and if the need exists for the item to be controlled and therefore be included in the FAR as a non-capital item and identified and controlled in the manner as prescribed in Chapter 11. Every HOD shall ensure that the existence of items referred to in this Chapter and which the CFO decided not to include in the Fixed Asset Register shall be recorded on an asset stock sheet controlled by himself or a person delegated to the task, and verified from time to time, and at least once in every financial year, and any amendments which are made to such asset stock sheet pursuant to such stock verifications shall be retained for audit purposes.

#### **CHAPTER 13: CAPITALISATION CRITERIA: INTANGIBLE ITEMS**

No intangible item shall be recognised as a fixed asset, except that the CFO, acting in strict compliance with the criteria set out in IAS 38 (dealing with research and development expenses) may recommend to the Council that specific development costs be recognised as fixed assets.

## **CHAPTER 14: CAPITALISATION CRITERIA: REINSTATEMENT, MAINTENANCE AND OTHER EXPENSES**

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalized.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalized, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalized as part of such fixed asset. Such expenses may include but need not be limited to import duties, forward cover costs, transportation costs, installation, assembly and communication costs.

## **CHAPTER 15: MAINTENANCE PLANS**

Every HOD shall ensure that a maintenance plan in respect of every new infrastructure asset with a value of R100 000 (one hundred thousand rand) or more is promptly prepared and submitted to the Council for approval.

If so directed by the MM, the maintenance plan shall be submitted to the Council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned.

The HOD controlling or using the infrastructure asset in question, shall annually report to the Council, not later than in July, of the extent to which the relevant maintenance plan has been complied with, and of the likely effect which any non-compliance may have on the useful operating life of the asset concerned. These plans must also form part of the IDP & SDBiP.

## **CHAPTER 16: DEFERRED MAINTENANCE**

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset (see part 16 above), the CFO shall disclose the extent of and possible implications of such deferred maintenance

in an appropriate note to the financial statements. Such note shall also indicate any plans which the Council has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the CFO shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the HOD controlling or using such asset, and shall recalculate the annual depreciation expenses accordingly.

#### **CHAPTER 17: GENERAL MAINTENANCE OF FIXED ASSETS**

Every HOD shall be directly responsible for ensuring that all assets (other than infrastructure assets which are dealt with in part 16 and part 17 above) are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

#### **CHAPTER 18: DEPRECIATION OF FIXED ASSETS**

All fixed assets, except land and heritage assets, shall be depreciated – or amortised in the case of intangible assets.

Depreciation may be defined as the monetary quantification of the extent to which a fixed asset is used or consumed in the provision of economic benefits or the delivery of services.

Depreciation shall generally take the form of an expense both calculated and debited on an annual basis against the appropriate line item in the department or vote in which the asset is used or consumed.

However, depreciation shall initially be calculated from the day following the day in which a fixed asset is acquired or – in the case of construction works and plant and machinery – the day following the day in which the fixed asset is brought into use, until the end of the calendar month concerned. Thereafter, depreciation charges shall be calculated annually.

Each HOD, acting in consultation with the CFO, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the department in question or expected to be so controlled or used during the ensuing financial year.

The procedures to be followed in accounting and budgeting for the amortization of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

#### **CHAPTER 19: RATE OF DEPRECIATION**

The CFO shall assign a useful operating life to each depreciable asset recorded on the Municipality's FAR. In determining such a useful life the CFO shall adhere to the useful lives set out in the annexure to this document (see Chapter 33 below).

In the case of a fixed asset which is not listed in this annexure, the CFO shall determine a useful operating life, if necessary in consultation with the HOD who shall control or use the fixed asset in question, and shall be guided in determining such useful life by the likely pattern in which the asset's economic benefits or service potential will be consumed.

## **CHAPTER 20: METHOD OF DEPRECIATION**

Except in those cases specifically identified in Chapter 23 below, the CFO shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question.

## **CHAPTER 21: AMENDMENT OF ASSET LIVES AND DIMINUTION IN THE VALUE OF FIXED ASSETS**

Only the CFO may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs the CFO shall inform the Council of such amendment.

The CFO shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that it's useful

operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.

If the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value such fixed asset shall be fully depreciated in the financial year in which such diminution in value occurs.

Similarly, if a fixed asset has been lost, stolen or damaged beyond repair, it shall be fully depreciated in the financial year in which such event occurs, and if the fixed asset has physically ceased to exist, it shall be written off the FAR.

In all the foregoing instances, the additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question.

If any of the foregoing events arises in the case of a normally non-depreciable fixed asset, and such fixed asset has been capitalised at a value other than a purely nominal value, such fixed asset shall be partially or fully depreciated, as the case may be, as though it were an ordinary depreciable asset, and the department or vote controlling or using the fixed asset in question shall bear the full depreciation expenses concerned.

## **CHAPTER 22: ALTERNATIVE METHODS OF DEPRECIATION IN SPECIFIC INSTANCES**

The CFO may employ the sum-of-units method of depreciation in the case of fixed assets which are physically wasted in providing economic benefits or delivering services.

The CFO shall only employ this method of depreciation if the HOD controlling or using the fixed asset in question gives a written undertaking to the MM to provide:

- estimates of statistical information required by the CFO to prepare estimates of depreciation expenses for each financial year; and

- Actual statistical information, for each financial year.

The HOD concerned shall moreover undertake to provide such statistical information at the specific times stipulated by the CFO.

Where the CFO decides to employ the sum-of-units method of depreciation, and the requirements set out in the preceding paragraph have been adhered to, the CFO shall inform the Council of the decision in question.

### **CHAPTER 23 CREATION OF NON-DISTRIBUTABLE RESERVES FOR FUTURE DEPRECIATION**

The CFO shall ensure that in respect of all fixed assets financed from the Municipality's Asset Financing Reserve, or from Grants or Subsidies or Contributions received from other spheres of government or from the public at large, as well as in respect of fixed assets donated to the Municipality, a non-distributable reserve for future depreciation is created equal in value to the capitalised value of each fixed asset in question.

The CFO shall thereafter ensure that in the case of depreciable fixed assets an amount equal to the monthly depreciation expenses of the fixed asset concerned is transferred annually from such non-distributable reserve to the Municipality's appropriation account. Where there is a difference between the budgeted monthly depreciation expenses and the actual total depreciation expenses for each financial year, the CFO shall appropriately adjust the aggregate transfer from the non-distributable reserve for the year concerned.

### **CHAPTER 24: CARRYING VALUES OF FIXED ASSETS**

All fixed assets shall be carried in the FAR, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation.

The only exceptions to this rule shall be re-valued assets (see Chapter 25 below) and Heritage Assets in respect of which no value is recorded in the fixed asset register (see Chapter 7 above).

### **CHAPTER 25: REVALUATION OF FIXED ASSETS**

All land and buildings recorded in the Municipality's FAR shall be re-valued with the adoption by the municipality of each new valuation roll (or, if the land and buildings concerned fall within the boundary of another municipality, with the adoption by such municipality of each new valuation roll).

The CFO shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the fixed asset as recorded in the valuation roll, provided the CFO is satisfied that such value reflects the fair value of the fixed asset concerned.

The CFO shall also, where applicable, create a revaluation reserve for each such fixed asset equal to the difference between the value as recorded in the valuation roll and the carrying value of the fixed asset before the adjustment in question.

The fixed asset concerned shall, in the case of buildings, thereafter be depreciated on the basis of its re-valued amount, over its remaining useful operating life, and such increased depreciation expenses shall be

budgeted for and debited against the appropriate line item in the department or vote controlling or using the fixed asset in question.

The CFO shall ensure that an amount equal to the difference between the new (enhanced) monthly depreciation expense and the depreciation expenses determined in respect of such fixed asset before the revaluation in question is transferred annually from the revaluation reserve to the Municipality's appropriation account. An adjustment of the aggregate transfer shall be made at the end of each financial year, if necessary (see Chapter 23 above).

If the amount recorded on the valuation roll is less than the carrying value of the fixed asset recorded in the fixed asset register, the CFO shall adjust the carrying value of such asset by increasing the accumulated depreciation of the fixed asset in question by an amount sufficient to adjust the carrying value to the value as recorded in the valuation roll. Such additional depreciation expenses shall form a charge, in the first instance, against the balance in any revaluation reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

Re-valued land and buildings shall be carried in the fixed asset register, and recorded in the annual financial statements, at their re-valued amount, less accumulated depreciation (in the case of buildings).

## **CHAPTER 26: VERIFICATION OF FIXED ASSETS**

The CFO shall at least once during every financial year undertake a comprehensive verification of all fixed assets controlled or used by the Municipality.

The results of such verification will be reported to every HOD who shall promptly and fully report in writing to the CFO in the format determined by the CFO on all the fixed assets not verified during such fixed asset verification.

Asset verifications shall be undertaken and completed as closely as possible to the end of each financial year and the resultant report shall be submitted to the MM / Council by not later than 31 August of the year in question.

## **CHAPTER 27: ALIENATION OF FIXED ASSETS**

In compliance with the principles and prescriptions of the MFMA, the transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive and consistent with the Municipality's supply chain management policy.

Every HOD shall report in writing to the CFO on 31 October and 30 April of each financial year on all fixed assets controlled or used by the department concerned which such HOD wishes to alienate by public auction or public tender. The CFO shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidated information to the MM recommending the process of alienation to be adopted.

The MM will decide on the alienation of any fixed asset with a carrying value less than R1,000.00 (one thousand rand) and will inform the appropriate HOD of any alienation of any fixed assets that have not been approved clearly stating the reasons for such disapproval..

The Council shall ensure that the alienation of any fixed asset with a carrying value equal to or in excess of R1,000.00 (one thousand rand) takes place in compliance with Section 14 of the Municipal Finance Management Act, 2004 (see Chapter 33 below).

Once the fixed assets are alienated, the CFO shall arrange for the appropriate updating of the FAR.

If the proceeds of the alienation are less than the carrying value recorded in the FAR, such difference shall be recognised as a loss in the income statement of the department or vote concerned. If the proceeds of the alienation, on the other hand, are more than the carrying value of the fixed asset concerned, the difference shall be recognised as a gain in the income statement of the department or vote concerned.

All gains realised on the alienation of fixed assets shall be appropriated annually to the Municipality's Asset Financing Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses on the income statement of the department or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any department or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

Transfer of fixed assets to other municipalities, municipal entities (whether or not under the municipality's sole or partial control) or other organs of state shall take place in accordance with the above procedures, except that the process of alienation shall be by private treaty.

## **CHAPTER 28: OTHER WRITE-OFFS OF FIXED ASSETS**

A fixed asset, even though fully depreciated shall be written off only on the recommendation of the HOD controlling or using the asset concerned, and with the approval of the Council.

Every HOD shall report to the CFO on 31 October and 30 April of each financial year on any fixed assets which such HOD wishes to have written off, stating in full the reason for such recommendation. The CFO shall consolidate all such reports, and shall promptly submit a recommendation to the MM and/or Council (depending on the carrying value) on the fixed assets to be written off.

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the CFO shall immediately debit to such department or vote, as additional depreciation expenses, the full carrying value of the asset concerned (see also Chapter 21).

## **CHAPTER 29: REPLACEMENT NORMS**

Every HOD shall report to the CFO on 31 December of each financial year on any fixed assets which such HOD wishes to replace, stating in full the reason for such recommendation. The CFO shall consolidate all such reports, and shall promptly submit a recommendation to the Council on the fixed assets to be written off.

The only reasons for replacement off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question. This Chapter provides for the replacement of motor vehicles, furniture and fittings, computer equipment, and any other appropriate operational items as well as for the replacement of fixed assets which are required for service

delivery but which have become uneconomical to maintain or have become outdated in terms of available technology.

### **CHAPTER 30: INSURANCE OF FIXED ASSETS**

The MM shall ensure that all movable fixed assets are insured at least against fire and theft, and that all Municipal Buildings are insured at least against fire and allied perils.

The CFO shall annually determine the premiums payable by the departments or votes after having received a list of the fixed assets and insurable values of all relevant fixed assets from the HOD concerned.

The MM shall recommend to the Council, after consulting with the CFO, the basis of the insurance to be applied to each type of fixed asset: either the carrying value or the replacement value of the fixed assets concerned. Such recommendation shall take due cognisance of the budgetary resources of the Municipality.

The CFO shall annually submit a report to the Council on any reinsurance cover which it is deemed necessary to procure for the Municipality's self-insurance reserve.

### **CHAPTER 31: BIOLOGICAL ASSETS**

Accounting for biological assets shall take place in accordance with the requirements of IAS 41.

The CFO, in consultation with the HOD concerned, shall ensure that all biological assets, such as livestock and crops, are valued at 30 June each year at fair value less estimated point-of-sales costs. Such valuation shall be undertaken by a recognised valuator in the line of the biological assets concerned. Any losses on such valuation shall be debited to the department or vote concerned as an operating expense, and any increase in the valuation shall be credited to the department or vote concerned as operating revenue.

If any biological asset is lost, stolen or destroyed, the matter – if material – shall be reported in writing by the HOD concerned in exactly the same manner as though the asset were an ordinary fixed asset.

Records of the details of biological assets shall be kept in a separate section of the FAR or in a separate accounting record altogether and such details shall reflect the information which the CFO, in consultation with the HOD concerned and the internal auditor, deems necessary for accounting and control purposes.

The CFO shall annually insure the Municipality's biological assets, in consultation with the HOD concerned, provided the Council considers such insurance desirable and affordable.

### **CHAPTER 32: SELF-CONSTRUCTED ASSETS**

#### **General**

Self-constructed assets relate to all assets constructed by the municipality itself or another party on instructions from the municipality.

#### **Policy**

All assets that can be classified as assets and that are constructed by the municipality should be recorded in the asset register and depreciated over its estimated useful life for that category of asset. Work in

progress shall be flagged (indicated) as such in the asset register until such time that the facility is completed. Depreciation will commence when the construction of the asset is finalised and the asset is in the condition necessary for it to operate in the manner intended by management.

### **CHAPTER 33: COMPONENT APPROACH**

The component approach is a GRAP-supported approach where complex assets are split into separate depreciable parts for recording. The key considerations in determining what should become a separately depreciable part (component) are:

- Significant cost; and
- Considerable difference in useful life

### **CHAPTER 34: ASSET VALUATION**

If the value of a part of the asset is significant (i.e. material) compared to the value of the asset as a whole and/or has a useful life that is considerably different to the useful life of the asset a whole, it should be recognised as a separately depreciable part (component).

**The costs** of newly or recently acquired capital assets are easily determined from transactional records like invoices. For some older municipal capital assets, the transactional records may not exist or the identification of the assets themselves may not be possible from documentation available. In these instances the municipality should use the fair value measurement principles to determine a deemed cost for these assets at initial recognition.

**Fair value** assumes an active and liquid market that produces current quoted prices for a specific asset. The majority of municipal assets are specialised structures for which such a market does not exist. A municipality will therefore need to use other methods to estimate the cost and accumulated depreciation of those assets.

### **CHAPTER 35: REHABILITATION/ENHANCEMENTS/RENEWALS OF CAPITAL ASSETS**

Expenditure to rehabilitate, enhance or renew an existing capital asset (including separately depreciable parts) can be recognised as capital if:

- that expenditure satisfies the recognition criteria;
- that expenditure is enhancing the service provision of that capital asset beyond its original expectation (i.e. not maintenance) and either that expenditure:
  - increases the useful life of that capital asset (beyond its original life);
  - increases that capital asset capacity (beyond its original capacity);
  - increases the performance of the capital asset (beyond the original performance);
  - increases the functionality of that capital asset;
  - reduces the future ownership costs of that capital asset significantly; or
  - increases the size of the asset or changes its shape.

#### **The following points are important to note:**

- Approval through the budget process for these improvements may require a business case.
- It must be probable that the expenditure will lead to the level of benefits expected.
- The expenditure to restore the functionality of the capital asset to its original

level is a maintenance/refurbishment expense and not a capital expense.

Maintenance/ refurbishment will not be capitalised to the capital asset.

The rehabilitated or renewed separately depreciable part will be derecognised and the replacement will be recognised. Where the separately identifiable asset is rehabilitated or renewed, the amount incurred will be added to the carrying value of the asset.

Renewals have the same meaning and treatment as rehabilitation/enhancements and are different from refurbishment, which is seen as maintenance.

## **CHAPTER 36: IMPAIRMENT LOSSES**

Impairment is the loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation. The following serve as examples of impairment indicators:

- Significant decline in market value;
- Carrying amount of an asset far exceeds the recoverable amount or market value;
- There is evidence of obsolescence (or physical damage);
- The deterioration of economic performance of the asset concerned; and
- The loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (such as through inadequate maintenance).

The impairment amount is calculated as the difference between the carrying value and the recoverable service value. The recoverable service value is the higher of the asset's value in use or its net selling price. Where the recoverable service amount is less than the carrying amount, the carrying amount should be reduced to the recoverable service amount by way of an impairment loss. The impairment loss should be recognised as an expense when incurred unless the asset is carried at re-valued amount.

If the asset is carried at a re-valued amount the impairment should be recorded as a decrease in the revaluation reserve. Where immovable property, plant and equipment surveys are conducted, the recoverable service value is determined using the depreciated replacement costs method by assessing the remaining useful life.

## **CHAPTER 37: LEASED ASSETS**

A lease is an agreement whereby the lesser conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are categorised into finance and operating leases:

- A Finance Lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset, even though the title may or may not eventually be transferred. Where the risks and rewards of ownership of an asset are substantially transferred, the lease is regarded as a finance lease and is recognised as a Capital asset.
- Where there is no substantial transfer of risks and rewards of ownership, the lease is considered an Operating Lease and payments are expensed in the income statement on a systematic basis.

Where an asset is leased it is necessary to record the details in an appropriate register. Additional details, which should also be recorded, include:

- lease start and completion dates;
- first-instalment date;
- asset-fair value;
- implicit interest rate; and
- lease payments.

Leases have a built-in interest cost which should be considered when evaluating whether to lease or buy (cash) an asset. Information in the register should be reviewed annually to confirm that the decision remains the most economical one.

#### **The Advantages Of Leasing Include:**

- increased flexibility to change 'asset solutions' (with an operating lease);
- reduced need for large capital outlays; and
- isolation from short -term fluctuations in market supply and values.

#### **Disadvantages Can Include:**

- penalty clauses for the early termination of leases;
- higher implicit interest costs in leases compared to cost of funds available to the municipality; and
- dependence on the market to supply assets leading to long-term exposure to market risk.

### **CHAPTER 38: ASSET LIFE CYCLE**

The asset life-cycle is a key concept underpinning asset management. An asset life-cycle covers all phases of an asset's life starting with planning, through its acquisition, operation, maintenance and eventual disposal. Management of these phases should be aligned to the municipality's planning, budgeting, monitoring and reporting processes. In summary the phases are as follows:

- a) The planning phase deals with the planning for service delivery that drives the need for assets. This phase will include input into the IDP, budget and asset management plans. Various acquisition options should be considered during this phase.
- b) The acquisition phase deals with the purchase, construction or manufacture of new assets.
- c) The operation and maintenance phase deals with the operation of the assets, maintenance/refurbishment, enhancement/rehabilitation, depreciation and impairment. This phase includes activities of a capital and current nature.
- d) The disposal phase deals with the timing of and disposal of the assets including the disposal costs and specific requirements for the assets, e.g. dismantling costs, medical equipment legal requirements, etc.

An asset's life-cycle is determined by its useful life to the municipality. This useful life is often shorter than its economic life. For example, a municipality may decide (as part of its asset management policy) to dispose of traffic police cars after five years because they have become too costly to maintain through extensive usage. However, such cars may continue to operate in another environment for many years.

### **CHAPTER 39: FIXED ASSET CATEGORIES & LIVES**

(In brackets the estimated useful life in years in each case).

## **LAND**

Developed Land	(N/A)
Undeveloped Land	(N/A)

## **BUILDINGS**

### **Dwellings**

Caravan Parks	(10)
Children's Homes	(30)
Homes for the Aged	(30)
Hostels	(30)
Mobile Homes	(10)
Places of Safety	(30)
Residences (personnel) including garages and parking	(30)
Recreational / (Holiday) accommodation	(30)

### **Non-Residential Dwellings**

Bus Terminals	(30)
Bus Shelters	(15)
Civic Theatres	(30)
Clinic and Community Health Facilities	(30)
Community Centres and Public Entertainment Buildings	(30)
Driver and Testing Centres	(30)
Industrial Buildings	(30)
Laboratories	(30)
Museum and Art Galleries	(30)
Office Buildings (inclusive of air conditioning system)	(30)
Public Parking	(30)
Police Station and associated buildings	(30)
Railway and associated buildings	(30)
Stadiums	(30)
Taxi Ranks	(15)
Sport and Recreational facilities (fields, clubhouses, etc)	(15)
Non-Residential Perimeter Protection	(15)
Ablution / Public Facilities	(30)
Carports	(15)
Workshop / Stores	(30)
Market / Shops	(30)

## **INFRASTRUCTURE ASSETS**

### **Electricity**

Cooling towers	(30)
Mains	(20)

Meters Pre-Paid	(20)
Meters Credit	(25)
Electricity Supply / Reticulation	(30)
Transformers	(50)
Lines Underground	(45)
Lines Overhead	(30)
Cables	(45)
Substation Switchgear	(30)
Substation Equipment Outdoors	(30)
Substation Equipment GIS	(30)
Substation Equipment Indoors	(40)
Electrical Panels	(5)
Electrical Telemetry	(15)
Electricity Perimeter Protection	(15)
Structure for Electrical Purposes	(30)
Public Lighting	(10)

## Roads

Bridges Vehicle Concrete	(80)
Bridges Vehicle Steel	(50)
Bridges Pedestrian Concrete	(80)
Bridges Pedestrian Steel	(50)
Bridges Railway Concrete	(80)
Bridges Railway Steel	(50)
Bridges Reinforced Retaining Walls Earth	(15)
Bridges Reinforced Retaining Walls Concrete	(30)
Bridges Expansion and Construction Joints	(20)
Storm Water Culverts Concrete	(60)
Storm Water Drains Earthworks	(100)
Storm Water Drains Concrete Lining	(50)
Storm Water Stop Banks	(50)
Storm Water Pipes	(50)
Roads Kerbs and Channels	(50)
Roads Municipal Tar Layer	(50)
Roads Municipal Tar Surface	(20)
Roads Municipal Concrete Layer	(50)
Roads Municipal Concrete Surface	(30)
Roads Municipal Gravel Surface	(10)
Roads National Tar Layer	(50)
Roads National Tar Surface	(20)
Roads National Concrete Layer	(50)
Roads National Concrete Surface	(30)
Roads National Gravel Surface	(10)
Roads Provincial Tar Layer	(50)
Roads Provincial Tar Surface	(20)
Roads Provincial Concrete Layer	(50)
Roads Provincial Concrete Surface	(30)

Roads Provincial Gravel Surface	(10)
Roads Crash Barriers	(30)
Roads Retaining Walls	(60)
Roads Pedestrian Footpaths	(30)
Roads Street Lighting	(40)
Roads Traffic Islands	(50)
Roads Traffic Lights	(20)
Roads Traffic Signs	(15)
Roads Paved Layer	(50)
Roads Paved Surface	(10)

## Water

Dams Structure Concrete	(100)
Dams Structure Earth	(50)
Dams Electrical & Mechanical	(40)
Water Meters	(20)
Stand Pipes	(20)
Water Metalwork (ladders, handrails, weirs)	(30)
Pump Stations Structure	(55)
Pump Stations Electrical	(40)
Pump Stations Mechanical	(40)
Pump Stations Perimeter Protection	(25)
Reservoirs Structure	(50)
Reservoirs Electrical	(40)
Reservoirs Mechanical	(40)
Reservoirs Perimeter Protection	(25)
Water Supply / Reticulation	(50)
Underground Chambers Valves	(25)
Underground Chambers Meters	(20)
Underground Chambers Transition	(15)
Underground Chambers Other	(10)
Water Purification Works Structure	(55)
Water Purification Works Electrical	(40)
Water Purification Works Mechanical	(40)
Water Purification Works Perimeter Protection	(25)
Water Purification Works Meters	(15)
Water Telemetry	(15)

## Sewerage

Bulk Pipelines Rising Mains	(50)
Bulk Pipelines Gravity Mains	(50)
Sewer Pump Stations Structure	(55)
Sewer Pump Stations Electrical	(40)
Sewer Pump Stations Mechanical	(40)
Sewer Pump Stations Perimeter Protection	(25)

Sewer Pump Stations Metalwork	(30)
Sewers / Reticulation	(60)
Water Purification Works Structure	(55)
Water Purification Works Electrical	(40)
Water Purification Works Mechanical	(40)
Water Purification Works Perimeter Protection	(25)
Water Purification Works Meters	(15)

### **Solid Waste Disposal**

Collection Vehicles	(10)
Collection Containers / Bins	(15)
Transfer Stations and Processing Facilities Structure	(55)
Transfer Stations and Processing Facilities Electrical	(40)
Transfer Stations and Processing Facilities Mechanical	(40)
Transfer Stations and Processing Facilities Perimeter Protection	(25)
Landfill Site Earthmoving and Compact Equipment	(15)
Landfill Site Preparation	(N/A)
Landfill Site Structure	(55)
Landfill Site Weighbridge	(40)
Landfill Site Perimeter Protection	(25)

### **Railways**

Railway Power Supply Units	(30)
Railway Sidings	(30)
Railway Tracks	(20)
Railway Signalling System	(20)
Railway Shunting Yards	(30)
Railway Perimeter Protection	(25)

### **Cemeteries**

Cemeteries	(30)
Cemeteries Perimeter Protection	(25)

## **CAPITAL / INFRASTRUCTURE WORK IN PROGRESS**

### **OTHER MACHINERY AND EQUIPMENT**

#### **Machinery and Equipment**

Audiovisual Equipment	(10)
Building Air Conditioning Systems	(5)
Cellular Phones (over R5, 000)	(2)

Cellular Routers	(3)
Domestic Equipment (non kitchen appliances)	(5)
Power Distribution Equipment (Generators / Compressors)	(7)
Emergency / Rescue Equipment	(10)
Farm / Agricultural Equipment	(15)
Fire Fighting Equipment	(5)
Gardening Equipment	(4)
Irrigation Equipment	(15)
Kitchen Appliances	(10)
Laboratory Equipment	(7)
Laundry Equipment and Industrial Sewing Machines	(15)
Learning / Training Support and Library Material	(10)
Machines for Metallurgy	(10)
Machines for Quarrying	(10)
Machines for Textile Production	(15)
Medical and Allied Equipment	(10)
Musical Instruments	(15)
Photographic Equipment	(7)
Pumps, Plumbing, Purification and Sanitation Equipment	(10)
Radio Equipment	(7)
Road Construction and Maintenance Machinery and Equipment	(15)
Saddles and other Tack	(7)
Security Equipment / Systems – Fixed	(5)
Security Equipment / Systems – Moveable	(5)
Sport and Recreational Equipment	(10)
Survey Equipment	(7)
Telecommunications Equipment	(5)
Tents, Flags and Accessories	(10)
Woodworking Machinery and Equipment	(10)
Workshop Equipment and loose tools – Fixed	(10)
Workshop Equipment and loose tools – Movable	(5)

### **Furniture and Office Equipment**

Advertising Boards	(5)
Air Conditioners (individual fixed and portable)	(5)
Cutlery and Crockery	(10)
Domestic and Hostel furniture	(15)
Linen and Soft Furnishing	(10)
Office Equipment (including fax machines)	(7)
Office Furniture	(7)
Paintings, Sculptures and Ornaments	(10)

### **Computer Equipment**

Computer Hardware including operating systems	(5)
---	-----

Computer Networks	(10)
-------------------	------

### Transport Assets

Busses	(15)
Cycles	(7)
Emergency Vehicles	(10)
Mobile Clinic	(15)
Motor Vehicles (Sedan, Hatch and LDV)	(7)
Railway Rolling Stock	(15)
Trailers and accessories	(10)
Trucks	(7)
Watercraft	(10)

### HERRITAGE ASSETS

Land of Historic or Specific Significance	(N/A)
Culturally Significant Building	(N/A)
National Monuments	(N/A)
National Parks / Reserves	(N/A)
Paintings	(N/A)
Sculptures	(N/A)
Municipal Jewelry	(N/A)
Works of Art	(N/A)
Other antiques or collections	(N/A)

### BIOLOGICAL OR CULTIVATED ASSETS

## **THEMBELIHLLE INTANGIBLE ASSETS**

### **CHAPTER 40: PARAPHRASE OF SECTION 14 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 2003**

The Municipality may not alienate any capital asset required to provide a minimum level of basic municipal services, unless the provisions of the Act is followed.

The Municipality may alienate any other capital asset, but provided

- the Council, in a meeting open to the public, has first determined that the asset is not required to provide a minimum level of basic municipal services, and
- The Council has considered the fair market value of the asset and the economic and community value to be received in exchange for the asset.

## **ANNEXURE 12: INTERGRATED DEVELOPMENT PLAN**

### **Table of Contents**

<u>1. The Planning Process</u> .....	250
<u>1.2 Legislative context</u> .....	251
<u>As a result, the MDGs enjoy considerable attention in key government development priorities. The table below demonstrates how the MDGs have been domesticated into the current priority agenda of the government</u> .....	255
<u>MTSF Strategic Elements</u> .....	255
<u>Relevant MDGS</u> .....	255
<u>1</u> .....	256
<u>Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods</u> .....	256
<u>MDG1, MDG2, MDG3, MDG8</u> .....	256
<u>2</u> .....	256
<u>Strategic Priority 2: Massive programme to build economic and social infrastructure</u> .....	256
<u>MDG1, MDG3, MDG8</u> .....	256
<u>3</u> .....	256
<u>Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security</u> .....	256
<u>MDG1, MDG2, MDG7</u> .....	256
<u>4</u> .....	256
<u>Strategic Priority 4: Strengthen the skills and human resource base</u> .....	256
<u>MDG2</u> .....	256
<u>5</u> .....	256
<u>Strategic Priority 5: Improve the health profile of all South Africans</u> .....	256
<u>MDG4, MDG5, MDG6</u> .....	256
<u>6</u> .....	256
<u>Strategic Priority 6: Intensify the fight against crime and corruption</u> .....	256
<u>MDG2, MDG3</u> .....	256
<u>7</u> .....	256
<u>Strategic Priority 7: Build cohesive, caring and sustainable communities</u> .....	256
<u>MDG2, MDG3, MDG7</u> .....	256
<u>8</u> .....	256
<u>Strategic Priority 8: Pursuing African advancement and enhanced international cooperation</u> .....	256
<u>MDG8</u> .....	256

<u>9</u>	.....	256
<u>Strategic Priority 9: Sustainable resource management and use</u>	.....	256
<u>MDG2, MDG3, MDG7</u>	.....	256
<u>10</u>	.....	256
<u>Strategic Priority 10: Building a developmental state, including improvement of public services and strengthening democratic institutions</u>	.....	256
<u>MDG1, MDG2, MDG3, MDG8</u>	.....	256
<u>Source: Stats SA (2010) – MDG Progress Report</u>	.....	256
<u>Noteworthy, among all the MDGs, gender equality and empowering women enjoys most support. Gender equality and women's empowerment are said to be critical to achieving the MDGs especially Goal 1 on poverty reduction and to economic growth, Goal 2 on universal primary education, Goal 4 on reducing child mortality, Goal 5 on improving maternal health, and Goal 6 on combating HIV/AIDS, malaria and other diseases. It has been observed however, that gender equality perspectives are poorly reflected across all the MDGs in their current formulation. In the first place, most have either inadequate or no gender-sensitive targets and indicators, making them difficult to achieve. Second, the targets and their indicators are limited. And lastly, the MDGs appear as stand-alone goals, blurring the multi-sectoral links between all goals, targets and indicators, including the cross-cutting gender link.</u>	.....	256
<u>So as Thembelihle Municipality develops the 5-year development blueprint these national and international policy contexts need to be taken into serious consideration – their limitation notwithstanding.</u>	.....	257
<b><u>1.4 Process overview : Steps and events</u></b>	.....	257
<u>Analysis phase</u>	.....	257
<u>Strategies phase</u>	.....	257
<u>Project phase</u>	.....	258
<u>Integration phase</u>	.....	258
<u>Approval phase</u>	.....	258
<b><u>1.5 Self – Assessment of the Planning Process</u></b>	.....	258
<u>Municipal level analysis</u>	.....	258
<b><u>2 Development Strategies</u></b>	.....	259
<b><u>2.1 The Municipal Vision &amp; Mission</u></b>	.....	259
<u>CORPORATE CULTURE AND VALUES</u>	.....	260
<b><u>2.2 Objectives and strategies for each Priority Issue (including objectives, available resources, alternatives taken into consideration, assessment and proposed strategy)</u></b>	.....	260
<b><u>2.2.1 STRATEGIC OBJECTIVE 1</u></b>	.....	260
<u>AFTER SIX MONTHS OF THE APPROVAL OF THIS DOCUMENT A STUDY ON THE BASIC NEEDS OF THE RURAL PEOPLE SHOULD BE FINALIZED AND TO BE IMPLEMENTED OVER A PERIOD OF 5 YEARS</u>	.....	260
<b><u>2.2.2 STRATEGIC OBJECTIVE 2</u></b>	.....	265
<u>PROVISION OF A STRATEGY WITHIN SIX MONTHS ON HOW TO UPGRADE THE N12 AND ANCILLARY FACILITIES THERETO IN ORDER TO ENSURE THE SAFETY AND WELLBEING OF THE RESIDENTS AND TRAVELLERS</u>	.....	265
<b><u>2.2.3 STRATEGIC OBJECTIVE 3</u></b>	.....	265

<u>PROVISION OF 750 FORMAL HOUSES WITHIN THREE YEARS AT ±250 HOUSES PER YEAR AT ALL LEVELS IN ORDER TO ADDRESS THE HOUSING BACKLOG AND YEARLY POPULATION GROWTH.....</u>	265	<u>2.2.4</u>
<u>STRATEGIC OBJECTIVE 4 .....</u>	266	
<u>IMMEDIATELY AFTER THE APPROVAL OF THE IDP, THE ADOPTION OF AN ENVIRONMENTAL AWARENESS POLICY BY THE COUNCIL AND THE IMPLEMENTATION THEREOF TO ENSURE A HEALTHIER ENVIRONMENT WITHIN THE NEXT 3 YEARS .....</u>	266	
<u>2.2.5     STRATEGIC OBJECTIVE 5 .....</u>	266	
<u>STREAMLINING OF THE SERVICES DELIVERY PROCESS OF THE LOCAL AND PROVINCIAL AUTHORITIES WITHIN THE NEXT 3 YEARS IN ORDER TO ENSURE UPGRADED SERVICES DELIVERY TO THE COMMUNITY .....</u>	266	
<u>2.2.6     STRATEGIC OBJECTIVE 6 .....</u>	267	
<u>FACILITATION OF THE NECESSARY STEPS IMMEDIATELY AFTER THE APPROVAL OF THE IDP TO ENSURE THE SOCIAL HEALTH AND WELL -BEING OF THE WIDER COMMUNITY OVER A PERIOD OF 3 YEARS .....</u>	267	
<u>2.2.7     STRATEGIC OBJECTIVE 7 .....</u>	268	
<u>IMPLEMENTATION OF AN AIDS AWARENESS CAMPAIGN IMMEDIATELY AFTER THE APPROVAL OF THE IDP WITHIN THE WIDER COMMUNITY TO CONTRIBUTE TO THE WELLBEING THEREOF AND TO DECREASE THE NUMBER OF CASES REPORTED MONTHLY.....</u>	268	
<u>2.2.8     STRATEGIC OBJECTIVE 8 .....</u>	269	
<u>TABLING OF A 3-YEAR STRATEGY TO STIMULATE LOCAL ECONOMIC GROWTH WITHIN THE MUNICIPAL AREA IN ORDER TO CREATE JOBS AND INCREASED WEALTH TO ALL LEVELS OF THE SOCIETY. ....</u>	269	
<u>2.2.9     STRATEGIC OBJECTIVE 9 .....</u>	269	
<u>PLANNING FOR THE PROVISION, MAINTENANCE AND UPGRADING OF EXISTING AND FUTURE <i>BULK AND LINK</i> SERVICES AT ALL LEVELS FOR THE NEXT 3 YEARS IN ORDER TO UPLIFT THE COMMUNITIES STANDARD OF LIVING .....</u>	269	
<u>2.2.10    STRATEGIC OBJECTIVE 10 .....</u>	270	
<u>PLANNING FOR THE PROVISION, MAINTENANCE AND UPGRADING OF EXISTING AND FUTURE <i>INTERNAL</i> SERVICES AT ALL LEVELS FOR THE NEXT 3 YEARS IN ORDER TO PROVIDE A BETTER RESIDENTIAL ENVIRONMENT TO LIVE IN .....</u>	270	
<u>2.4 Summary list of identified projects .....</u>	272	
<b><u>3. OPERATIONAL STRATEGIES .....</u></b>	327	
<b><u>3.1 Operational (5-year Action Plan) .....</u></b>	327	
<b><u>3     The Situation .....</u></b>	335	
<b><u>3.1     Summary of community and stakeholder Priority Issues .....</u></b>	335	
<b><u>3.2     Priority Issues from a Municipal Perspective .....</u></b>	338	
<b><u>3.3     Spatial Analysis : Patterns and trends .....</u></b>	339	
<b><u>Area .....</u></b>	341	
<b><u>3.4     Social Analysis : Poverty situation and gender specific issues .....</u></b>	344	
	350	

<b>3.5</b>	<b>Economic Analysis : Major patterns and trends .....</b>	351
This socio-economic analysis refers to the following sectors, population, health, educational, recreational and social issues.....		354
<b>3.6</b>	<b>Environmental Analysis : Major risks and trends .....</b>	354
The most important problem to be addressed is to adopt an awareness drive within the community to understand the environment (all its facets) and the conservation thereof.....		355
<b>3.7</b>	<b>Institutional Analysis : Strengths and weaknesses .....</b>	355
<b>4</b>	<b>5 – year Financial Plan .....</b>	356
<b>4.2</b>	<b>Capital Investment Programme .....</b>	367
<b>4.3 Integrated Spatial Development Framework .....</b>		368
<b>4.4</b>	<b>Integrated Environmental Programmes .....</b>	372
POLICIES & BY-LAWS THAT PROTECT THE ENVIRONMENT OR IN FACT MATHODS THAT SPEAK TO ADDRESS THE CHALLENGES OF IT.....		372
<b>4.5</b>	<b>INTERGRATED HIV/AIDS PROGRAMME .....</b>	372
<b>4.6</b>	<b>Integrated Institutional Programmes .....</b>	376
<b>4.7</b>	<b>Disaster Management Plan .....</b>	376
<b>4.8</b>	<b>Monitoring and information flow system .....</b>	376
<b>4.9</b>	<b>LED Strategy .....</b>	376
<b>4.10</b>	<b>Integrated Environmental Plans.....</b>	376

## **1. The Planning Process**

### **1.1 Institutional Arrangements / Roles and Responsibilities**

The following management system has been put in place.

#### **IDP MANAGER**

The Council appointed the Municipal Manager as IDP Manager and would be tasked to manage the IDP and make sure that the IDP is implemented.

The IDP Manager would be responsible to ensure the:

- preparation of the Process Plan;
- day to day management of the planning process;
- chairing of the Steering Committee; and
- managing the consultants; and
- implementation of the IDP afterwards.

#### **1.1.1 IDP STEERING COMMITTEE**

The Steering Committee is a technical working team consisting of Departmental Heads and senior officials within the municipality. These individuals would be involved in preparing technical reports and info, formulation of recommendations and to prepare certain documents.

This committee would be chaired by the IDP Manager (Municipal Manager) and would also be responsible for the secretariat.

#### **The following officials have been nominated:**

- |                      |   |
|----------------------|---|
| * IDP Manager        | - Mr. M. Mogale (Municipal Manager)             |
| * Corporate Service  | - Mr. Y. Goibaiyer (Manager Corporate Services) |
| * Technical Services | - Mr. E. Painting (Manager Technical Services)  |

Ms. L .J. Van Wyk

Mr. F. Human

- |                          |  |
|--------------------------|--|
| * Tourism Officer        | - Mr. M. Makenna (IDP Process Facilitator)     |
| * Financial Services     | - Mr. G. Butterworth (Chief Financial Officer) |
| * Human Resource Officer | - Ms. T. Gorrah                                |
| * P.A. to the Mayor      | - Ms. C. Mogalie                               |

### **1.1.2 IDP REPRESENTATIVE FORUM**

This forum guarantees public participation and a consultative approach during the IDP process. The nomination of role players should be such that all levels and interested groups in the society are representative. Proper participation and communication should be guaranteed.

The Mayor should chair this forum or any individual councillor appointed in writing and the secretariat performed by the IDP Steering Committee. The following councillors have been nominated on the forum:

- Clr D. Jonas
- Clr B. Mpamba
- Clr S. Madekane
- Clr P. Louw
- Clr E. De Bruin
- Clr A. Kywe
- Clr M. Humphreys

### **What is IDP?**

The legislation requires each municipality to develop a plan for the development of its area of jurisdiction. The law mandates that the plan should be holistic and integrated in each its approach and content. The plan should be long-term, covering five years. The Integrated Development Plan (IDP) therefore is a five-year development blueprint for a municipality. According to the Municipal Systems Act, No 32 of 2000, the IDP is the principal strategic planning instrument which guides and informs all planning, budgeting, investment, development, management and implementation in the medium-term decision-making.

### **1.2 Legislative context**

#### **1.2.1. The Constitution of the Republic of South Africa**

The Constitution of the Republic of South Africa outlines the kind of local government needed in the country.

According to the Constitution (sections 152 and 153), local government is in charge of the development process in municipalities, and notably is in charge of planning for the municipal area. The constitutional mandate gives a clear indication of the intended purposes of municipal integrated development planning:

- To ensure sustainable provision of services
- To promote social and economic development
- To promote a safe and healthy environment
- To give priority to the basic needs of communities; and
- To encourage involvement of communities

The Constitution also demands local government to improve intergovernmental coordination and cooperation to ensure integrated development across the neighbouring communities

#### **1.2.2. The Municipal Systems Act, No 32 of 2000**

Section 25 (1) of the Municipal Systems Act stipulates that "Each municipal council must, within a prescribed period after the start of the elected term, adopt a single, inclusive and strategic plan for the development of the municipality". The Act dictates that the plan should: integrate and co-ordinate plans and should take

into account proposals for the development of the municipality. In addition, the plan should align the resources and capacity of the municipality with the implementation of the plan. Moreover, the plan must form the policy framework and general basis on which annual budgets must be based. Furthermore, the plan should be compatible with national and provincial development planning requirements binding on the municipality in terms of legislation.

The IDP has a legislative status. Section 35 (1) states that an IDP adopted by dit council of a municipality-

- (a) Is the principal strategic planning instrument which guides and informs all planning and development, and all decisions with regard to planning, management and development, in the municipality;
- (b) Binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between a municipality's integrated development plan and national or provincial legislation, in which case such legislation prevails; and
- (c) Binds all other persons to the extent that those parts of the integrated development plan that impose duties or affect the rights of those persons have been passed by a by-law.

#### **1.2.3 Municipal Systems Amendment Act No 7 of 2011**

The Municipal systems Amendment Act, No 7 of 2011 heralded a new era in the history of local government in South Africa. In principle, it sought to professionalise local governance by ensuring that incumbents holding senior positions (i) have the appropriate qualifications and (ii) there is no conflict of interest between political office and local government administration by barring political officer bearers from holding senior positions in local municipal offices.

Section 56A (1) states that "A municipal manager or manager directly accountable to a municipal manager may not hold political office in a political party, whether in a permanent, temporary or acting capacity. "A political office in relation to a political party or structure thereof, is defined as (a) "the position of chairperson, deputy chairperson, secretary, deputy secretary or treasurer of the party nationally or in any province, region or other area in which the party operates; or (b) any position in the party equivalent to a position referred to in paragraph (a), irrespective of the title designated to the position".

Another key amendment relates to the re-hiring of dismissed staff. Section 57A (1) states that "Any staff member dismissed for misconduct may only be re-employed in any municipality after the expiry of a prescribed period". The Act is much harsher on employees dismissed for financial misconduct. The Act stipulates that a staff member dismissed for financial misconduct, corruption or fraud, may not be re-employed in any municipality for a period of ten years (Section 57A (3)).

This Amendment Act contains proposals that are guaranteed to have profound impact on the governance of Thembelihle Local Municipality. Serious attempts will be made to accommodate these recommendations in the IDP.

#### **1.2.4 The White Paper on Local Government**

The White Paper on Local Government gives municipalities responsibility to "work with citizens and groups within the community to find sustainable ways to address their social, economic and material needs improve the quality of their lives".

### **1.3Policy context**

The Constitution stipulates that all three spheres of governance are autonomous but interdependent. This therefore calls for closer collaboration between all these spheres of governance. Needless to mention, a number of national, including international, policies have a particular bearing on the provincial and local sphere of government. A few critical ones are highlighted below.

#### **1.3.1 Medium term Strategic framework**

The Medium Term Strategy Framework (MTSF, 2009-2014) is a statement of government intent. It identifies the development challenges facing South Africa and outlines the medium-term strategy for improving living conditions of South Africans. The MTSF base document is meant to guide planning and resource allocation across all spheres of government. National and provincial departments need to develop their five-year strategic plans and budget requirements, taking into account the medium-term imperatives. Municipalities are also expected to adapt their integrated development plans in line with the national medium-term priorities.

The MTSF identifies the following five development objectives:

1. Halve poverty and unemployment by 2014
2. Ensure a more equitable distribution of the benefits of economic growth and reduce inequality
3. Improve the nation's health profile and skills base and ensure universal access to basic services
4. Build a nation free of all forms of racism, sexism, tribalism and xenophobia
5. Improve the safety of citizens by reducing incidents of crime and corruption

#### **1.3.2 The Government 12 Outcomes**

From the development focus of the MTSF the government has derived twelve outcome areas that set the guidelines for more results-driven performance. The **TWELVE KEY OUTCOMES** that have been identified and agreed to by the Cabinet are:

1. Improved quality of basic education
2. A long and healthy life for all South Africans
3. All people in South Africa are and feel safe
4. Decent employment through inclusive economic growth
5. A skilled and capable workforce to support an inclusive growth path
6. An efficient, competitive and responsive economic infrastructure network
7. Vibrant, equitable and sustainable rural communities with food security for all
8. Sustainable human settlements and improved quality of household life
9. A responsive, accountable, effective and efficient local government system
10. Environmental assets and natural resources that are well protected and continually enhanced
11. Create a better South Africa and contribute to a better and safer Africa and world
12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

Of the 12 outcomes above, Outcome 9 is closest to local government. The champion of the goal is the national Department of Cooperative Governance and Traditional Affairs. In order to achieve the vision of a “Responsive, accountable, effective and efficient local government system”, seven outputs have been identified.

- **Output 1:** Implement a differentiated approach to municipal financing, planning and support
- **Output 2:** Improving Access to Basic Services
- **Output 3:** Implementation of the Community Work Programme
- **Output 4:** Actions supportive of the human settlement outcomes
- **Output 5:** Deepen democracy through a refined Ward Committee model
- **Output 6:** Administrative and financial capability
- **Output 7:** Single Window of Coordination

### **1.3.3. National Development Plan**

The South African Government, through the Ministry of Planning, has published a *National Development Plan*. The Plan aims to eliminate poverty and reduce inequality by 2030. The Plan has the target of developing people’s capabilities to be to improve their lives through education and skills development, health care, better access to public transport, jobs, social protection, rising income, housing and basic services, and safety. It proposes to the following strategies to address the above goals:

1. Creating jobs and improving livelihoods
2. Expanding infrastructure
3. Transition to a low-carbon economy
4. Transforming urban and rural spaces
5. Improving education and training
6. Providing quality health care
7. Fighting corruption and enhancing accountability
8. Transforming society and uniting the nation

At the core of the Plan is to eliminate poverty and reduce inequality is the special focus on the promotion of gender equity and addressing the pressing needs of youth. It is prudent for Thembelihle Municipality to take these issues into account when planning for development for the next five years.

### **1.3.4. Millennium Development Goals**

The Millennium Development Goals (MDG) and targets come from the Millennium Declaration, signed by 189 countries, including 147 Heads of State and Government, in September 2000 and from further agreement by member states at the 2005 World Summit (Resolution adopted by the General Assembly). At the Summit in 2000, the international community reached consensus on working to achieve eight critical economic and social development priorities by 2015. The eight development priorities were termed the Millennium Development Goals. The eight MDGs are, in their numerical order:

- To eradicate extreme poverty and hunger
- To achieve universal primary education
- To promote gender equality and empower women

- To reduce child mortality
- To improve maternal health
- To combat HIV/AIDS, malaria and other diseases
- To ensure environmental sustainability
- To develop a global partnership for development

As a member state of the United Nations, South Africa is a signatory to this agreement. Furthermore, South Africa has committed to these eight Millennium Development Goals and embraced them into a national set of ten priorities. Writing in the preamble of the third report on progress towards reaching MDGs by South Africa, President Jacob Zuma stated thus; "*let me emphasise that South Africa is committed to the MDG agenda and the Millennium Declaration of 2000. Our entire development agenda embraces the MDGs.*" The South African government has sought to domesticate the MDGs so that they suit the local situation without compromising the chance of comparability. This has been achieved by developing specific indicators for each goal so that it could be easy to measure progress - see table 1.3.1.

**Table 1.3.1: Millennium Development Goals and their indicators**

Goal	Indicators of this Goal
1	Gini, dollar-based poverty measures, employment, income per capita, social services and government-based social assistance programmes. In some instances the data are disaggregated by sex and race to provide the socio-economic specificities of South Africa
2	Sex disaggregated population base data for children aged 7–13 and persons 15–24 years of age
3	Gender and race disaggregated data on education, employment and political life
4	Informed by child and infant mortality data
5	Processes associated with giving birth and child rearing. Indicators are facility based as well as population based
6	HIV and AIDS prevalence disaggregated by age and sex
7	Sustaining the environment and the population's access to housing water, energy and sanitation amongst others
8	Trade and international relations and transfers, which in the main include trade, aid and global obligations

As a result, the MDGs enjoy considerable attention in key government development priorities. The	MTSF Strategic Elements	Relevant MDGS
--	-------------------------	---------------

table below demonstrates how the MDGs have been domesticated into the current priority agenda of the government.

1	Strategic Priority 1: Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	MDG1, MDG2, MDG3, MDG8
2	Strategic Priority 2: Massive programme to build economic and social infrastructure	MDG1, MDG3, MDG8
3	Strategic Priority 3: Comprehensive rural development strategy linked to land and agrarian reform and food security	MDG1, MDG2, MDG7
4	Strategic Priority 4: Strengthen the skills and human resource base	MDG2
5	Strategic Priority 5: Improve the health profile of all South Africans	MDG4, MDG5, MDG6
6	Strategic Priority 6: Intensify the fight against crime and corruption	MDG2, MDG3
7	Strategic Priority 7: Build cohesive, caring and sustainable communities	MDG2, MDG3, MDG7
8	Strategic Priority 8: Pursuing African advancement and enhanced international cooperation	MDG8
9	Strategic Priority 9: Sustainable resource management and use	MDG2, MDG3, MDG7
10	Strategic Priority 10: Building a developmental state, including improvement of public services and strengthening democratic institutions	MDG1, MDG2, MDG3, MDG8

Source: Stats SA (2010) – MDG Progress Report

Noteworthy, among all the MDGs, gender equality and empowering women enjoys most support. Gender equality and women's empowerment are said to be critical to achieving the MDGs especially *Goal 1* on poverty reduction and

to economic growth, *Goal 2* on universal primary education, *Goal 4* on reducing child mortality, *Goal 5* on improving maternal health, and *Goal 6* on combating HIV/AIDS, malaria and other diseases. It has been observed however, that gender equality perspectives are poorly reflected across all the MDGs in their current formulation. In the first place, most have either inadequate or no gender-sensitive targets and indicators, making them difficult to achieve. Second, the targets and their indicators are limited. And lastly, the MDGs appear as stand-alone goals, blurring the multi-sectoral links between all goals, targets and indicators, including the cross-cutting gender link.

So as Thembelihle Municipality develops the 5-year development blueprint these national and international policy contexts need to be taken into serious consideration – their limitation notwithstanding.

#### **1.4 Process overview : Steps and events**

##### **PROCESS PHASES AND PROGRAMME**

The following process phase as stipulated was followed

##### **Pre-planning phase (Process Plan)**

A Process Plan serves as a guideline (step-by-step manual) for the Development of the IDP. The Process Plan deals with how the process of the development of an IDP should unfold. It further indicates when certain actions are expected and the responsible person attached thereto as well as the expected outcomes.

##### **Analysis phase**

During this phase certain information and data has been gathered relevant to the priority issues. The priority issues refer to certain problem areas identified in order to secure a better future. Public participation is the basis of this identification and a proper understanding of the problem areas (priority issues) was necessary. Information on available resources was also necessary.

##### **Strategies phase**

During this phase a vision was be formulated for the municipality and certain objectives set to address the abovementioned problems (what should be done). Thereafter strategies should be formulated on how the problems should be addressed.

## **Project phase**

During this phase specific projects should be identified for implementation. These projects must address the goals specified in the previous phase. Indicators, outputs, targets, time schedules and budgets should be identified.

## **Integration phase**

After project identification the authority must ensure that objectives and strategies comply with legal requirements. The necessary 5-year plans should be put in place as well as the spatial development framework.

## **Approval phase**

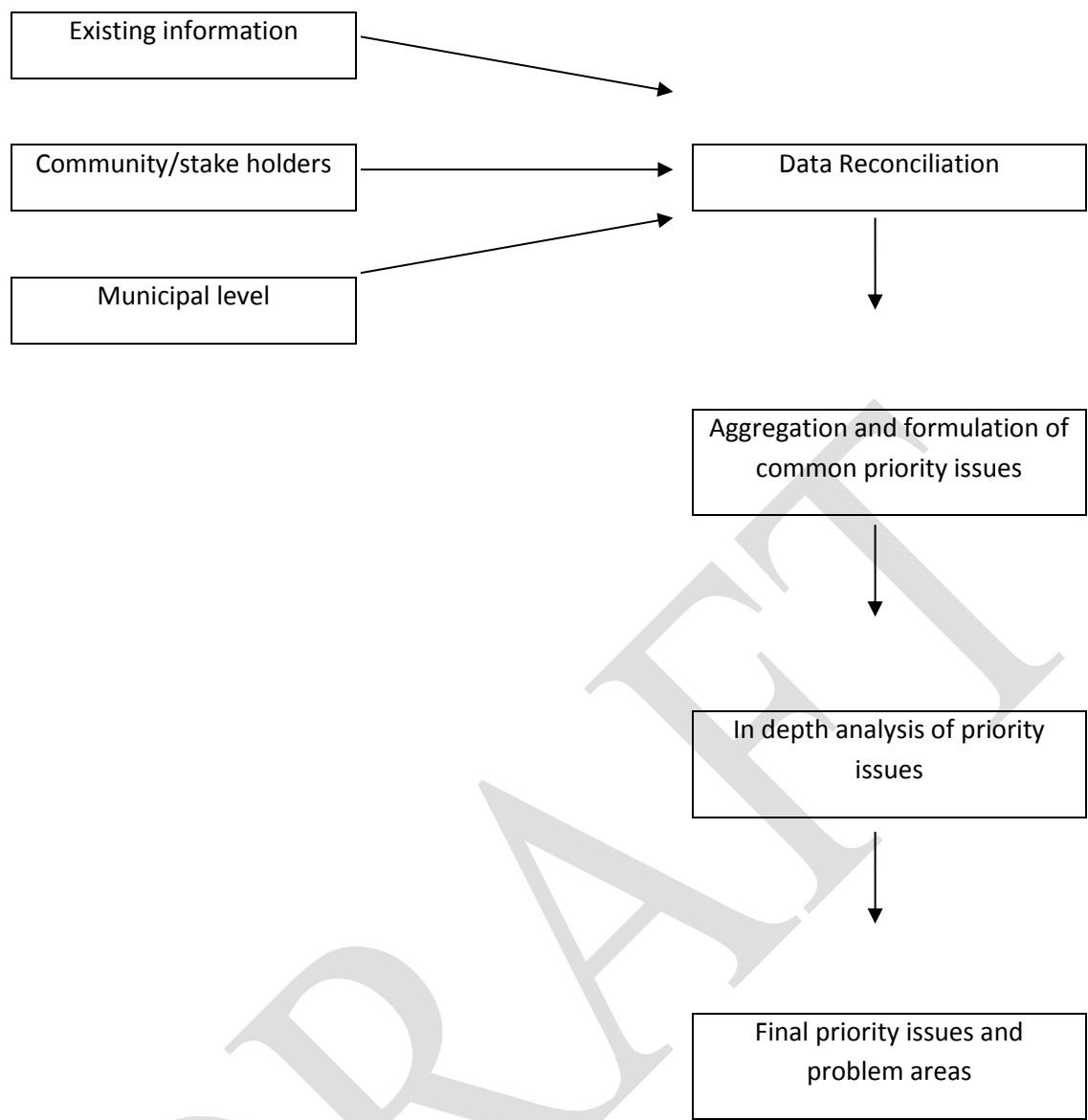
A table top IDP framework is developed to give guidance to the shape and information content of the final document. The DRAFT document has been submitted and approved by council and it must as well be assessed by the Department of Cooperative Governance for relevance as well compliance.

The final plan (document) is to be approved by council after the public has been given the opportunity to comment on the plan and/or any amendments required by the council. Thereafter the plan should be submitted to the MEC for his assessment to ensure the document complies with the requirements of the Municipal Systems Act.

### **1.5 Self – Assessment of the Planning Process**

#### **Municipal level analysis**

- Interviews with the Departmental Heads
  - Technical services;
  - Corporate Services;
  - Financial services
  - Conduct land use survey;
  - Conduct Housing and services backlog survey.



## **2 Development Strategies**

### **2.1 The Municipal Vision & Mission**

#### **Vision**

**“We as Thembelihle Municipality, commit ourselves to a better life for all through sound economic growth, provision of basic infrastructure, disciplined social welfare, a sound and participative institutional management system, as we stand united.”**

#### **Mission**

**To improve the lives of citizens of Thembelihle Municipal area through:**

- **Quality Service Delivery**

- Have a two way approach to communication and service
- Ensuring a safe and enabling environment for economic growth
- Ensuring integrated sustainable human settlements
- Ensuring equal opportunities

## **CORPORATE CULTURE AND VALUES**

- Driven by the aspirations of our people, we will respect and uphold the constitution of the Republic of South Africa and, to this end, observe human rights and participate in co-operative governance
- We subscribe to the principles of Batho Pele and total quality management
- We commit ourselves to the Codes of Conduct for councillors and officials in the Municipal Systems Act and to the principles of sound financial management
- We believe in integrity in the relations with all our stakeholders
- We commit ourselves to a corruption free municipality
- We endorse a “people-driven” approach and, to this end, commit ourselves to ensuring public participation in local government
- We commit ourselves to promote racial, gender and all other forms of equality and to empower all people in the municipality
- We regard the personnel of our municipality as our most important resource
- We commit ourselves to a spirit of knowledge, completion and submissiveness of legislation, policies, procedures, conditions of service and resolutions of Council.

**2.2      Objectives and strategies for each Priority Issue (including objectives, available resources, alternatives taken into consideration, assessment and proposed strategy)**

### **2.2.1 STRATEGIC OBJECTIVE 1**

**AFTER SIX MONTHS OF THE APPROVAL OF THIS DOCUMENT A STUDY ON THE BASIC NEEDS OF THE RURAL PEOPLE SHOULD BE FINALIZED AND TO BE IMPLEMENTED OVER A PERIOD OF 5 YEARS**

The following components need to be addressed:

#### **2.2.1.1 Rural roads**

#### **PROPOSED SOLUTIONS TO PROBLEMS**

- Improved maintenance on the storm water drainage and surface to travel on;
- Control of speed on roads;
- Control the weight of large vehicles;
- Privatise maintenance on roads.

## ROLE PLAYERS IN PROCESS

- Department of Transport;
- Local Authority;
- District Municipality;
- Farm owners;
- Farmers union;
- Ward committees.

### **2.2.1.2 Sanitation**

#### PROPOSED SOLUTIONS TO THE PROBLEM

- Planning for 750 new sites
- Awareness campaign to be launched;
- Alternative methods to be investigated;
- Apply for funding.

#### ROLE PLAYERS IN THE PROCESS

- Department of Water Affairs;
- Farmers unions;
- Farm workers;
- District municipality
- Local Authority.

### **2.2.1.3 Electricity**

#### PROPOSED SOLUTIONS TO THE PROBLEM

- Alternative methods/source:
  - sun panels;
  - windmills.
- Training of farm workers;
- Pre-paid meters to be tried out;
- Upgrading of present facilities in a phased fashion (1& 2).

#### ROLE PLAYERS IN THE PROCESS

- Eskom;
- DME;
- District Municipality;
- Local Authority;
- Local co-operation;
- Farmers unions.

#### **2.2.1.4 Housing**

##### PROPOSED SOLUTIONS TO THE PROCESS

- Planning of 750 new sites
- Apply for and provision of housing subsidies;
- Provision of formal housing structures;
- Upgrading of present structures

#### ROLE PLAYERS IN THE PROCESS

- COGHSTA;
- Local Authority;
- District Municipality;
- Farm workers;
- Farmers unions;
- NGO 's

#### **2.2.1.5 Schools**

##### PROPOSED SOLUTIONS TO THE PROBLEM

- Construction of a new Primary school;
- Upgrading of existing facilities;
- Transport of children to schools;
- Improved/better/larger schools more central in service area;
- Provision of hostels.

#### ROLE PLAYERS IN THE PROCESS

- Department of Education;
- Farmers unions;
- Churches;
- School governing bodies;
- Private sponsors.

#### **2.2.1.6 Health**

##### **PROPOSED SOLUTIONS TO THE PROBLEM**

- Upgrading of hospital
- Health awareness programmes with farm workers;
- Provision of mobile clinics more regular and better equipped;
- Better training of medical personnel;
- Improved management control.

##### **ROLE PLAYERS IN THE PROCESS**

- Department of Health;
- Department of Water Affairs;
- Farmers unions;
- District municipality;
- Local Authority;
- Health Committee.

#### **2.2.1.7 Safety and security**

##### **PROPOSED SOLUTIONS TO THE PROBLEM**

- Improved SAPS and SAPS forums activities;
- More intensified policing in the open;
- Mobile police stations to be provided;
- Fencing around residential area;
- Disaster management/action plan;
- Radio and communication plan;
- Training of farmers and workers.

##### **ROLE PLAYERS IN THE PROCESS**

- SAPS ;
- CPF
- Youth Against Crime
- Correctional services;
- SANDF;
- Farmers unions;
- Farm watch systems;
- Farm workers;
- Local authority
- District municipality;
- Private companies.

#### **2.2.1.8 Telephone and communication**

#### PROPOSED SOLUTIONS TO THE PROBLEM

- Upgrade present television frequency;
- Maintenance and care;
- More towers to be erected.

#### ROLE PLAYERS IN THE PROCESS

- Telkom;
- Vodacom, MTN, Cell C etc.
- SABC
- Local Authority

#### **2.2.1.9 Water**

#### PROPOSED SOLUTIONS TO THE PROBLEM

- Provision of boreholes/reservoirs;
- Upgrading of Purification plant;
- Bulk water supply to Stydenburg.
- Water points at houses
- Provision of clean water

#### ROLE PLAYERS IN THE PROCESS

- Farmers unions;
- Department of Water Affairs;
- Local Authority;
- District Municipality

#### **2.2.1.10**

#### **Recreation**

#### PROPOSED SOLUTIONS TO THE PROBLEM

- Upgrade existing facilities;
- Promote organised sports
- Construction of a swimming pool, cricket pitch;
- Central located upgrade higher quality facility;
- Affiliation to Sports Bodies

#### ROLE PLAYERS IN THE PROCESS

- Department of Sport, Arts & Culture ;
- Establishment of sport forum;
- District Municipality
- Farmers unions;
- Churches;
- Private funding.

## **2.2.2 STRATEGIC OBJECTIVE 2**

### **PROVISION OF A STRATEGY WITHIN SIX MONTHS ON HOW TO UPGRADE THE N12 AND ANCILLARY FACILITIES THERETO IN ORDER TO ENSURE THE SAFETY AND WELLBEING OF THE RESIDENTS AND TRAVELLERS**

#### **PROPOSED SOLUTIONS TO THE PROBLEM**

- Reduce the speed on the road at critical areas;
- Upgrading & widening of bridges/low water bridges;
- Provide applicable road signs;
- Provide travelling surface for “karretjies” next to the road;
- Improved law enforcement;
- 4-way stops and pedestrian crossing;
- Speed bumps;
- Provision of street lights for the section that goes through the urban areas;
- Provide fencing on the road reserve boundary.
- Keeping roadsides clean and environment friendly

#### **ROLE PLAYERS IN THE PROCESS**

- Department of Transport;
- SANRAL;
- Local Authority;
- District municipality;
- Farmers unions

## **2.2.3 STRATEGIC OBJECTIVE 3**

### **PROVISION OF 750 FORMAL HOUSES WITHIN THREE YEARS AT ±250 HOUSES PER YEAR AT ALL LEVELS IN ORDER TO ADDRESS THE HOUSING BACKLOG AND YEARLY POPULATION GROWTH**

#### **PROPOSED SOLUTION TO THE PROBLEM**

- Conduct a survey to determine the housing backlog;
- Identify land needed and locality thereof;
- Planning, pegging and servicing of erven;
- Construction of houses;
- NB: Timeously Submission of Business Plans of the various phases.

#### **ROLE PLAYERS IN THE PROCESS**

- COGHSTA;
- Local Authority;
- Community representatives;
- District municipality.

#### **2.2.4 STRATEGIC OBJECTIVE 4**

**IMMEDIATELY AFTER THE APPROVAL OF THE IDP, THE ADOPTION OF AN ENVIRONMENTAL AWARENESS POLICY BY THE COUNCIL AND THE IMPLEMENTATION THEREOF TO ENSURE A HEALTHIER ENVIRONMENT WITHIN THE NEXT 3 YEARS**

##### **PROPOSED SOLUTIONS TO THE PROBLEM**

- Implementation of a strategy on two levels:
  - awareness campaign or drive in the community;
  - cleaning and maintenance operations.
- Develop policy on the use of the commonage;
- Address over over-grazing on the commonage;
- Proper management of dumping sites;
- Identification of future dumping sites;
- Establishment of an environmental forum and identification of an official/councillor to drive the forum;
- Action against unwanted plants and the control of certain animal species;
- Fight soil erosion.
- Provide reserve for Protected Trees (Acacia hematoxylon, A. erioloba, Boscia albitrunca
- Develop Master Drainage Plan

##### **ROLE PLAYERS IN THE PROCESS**

- Local Authority;
- District Municipality;
- Department of Environmental Affairs and Nature Conservation
- Community;
- Farmers unions;
- Department of Water Affairs and Forestry;
- Schools;
- Rural communities;
- Department of Agriculture.

#### **2.2.5 STRATEGIC OBJECTIVE 5**

**STREAMLINING OF THE SERVICES DELIVERY PROCESS OF THE LOCAL AND PROVINCIAL AUTHORITIES WITHIN THE NEXT 3 YEARS IN ORDER TO ENSURE UPGRADED SERVICES DELIVERY TO THE COMMUNITY**

##### **PROPOSED SOLUTIONS TO THE PROBLEM**

- Planning for the optimum utilization of current resources;
- Proper strategic planning for future budgets and operation;
- Provision of one central management centre;
- Application of newest technological issues;

- Apply proper management principles;
- Capacity building amongst officials;
- Provision of sufficient personnel and facilities;
- Improved payment culture;
- Provision of multi purpose community centre and mobile facilities.

#### ROLE PLAYERS IN THE PROCESS

- Local Authority;
- Role players associated;
- Local communities;
- government departments;
- Telkom;
- Eskom;

#### **2.2.6 STRATEGIC OBJECTIVE 6**

#### **FACILITATION OF THE NECESSARY STEPS IMMEDIATELY AFTER THE APPROVAL OF THE IDP TO ENSURE THE SOCIAL HEALTH AND WELL -BEING OF THE WIDER COMMUNITY OVER A PERIOD OF 3 YEARS**

The abovementioned objectives inter alia refer to the following sub-components:

- community health;
- social wellbeing;
- educational facilities;
- sport and recreation facilities.
- Poverty elevation

#### PROPOSED SOLUTIONS FOR THE PROBLEM

- Finalise the draft disaster management plan;
- Establishment of a social management forum to be chaired and managed by a councillor;
- Creation of an environment for proper educational services to all levels of the society;
- Health awareness campaigns to be provided at all levels;
- Improved birth control steps and services and sex education;
- Protection of street children;
- Neighbour watch systems to be activated;
- Recreational facilities to keep the youth occupied;
- Improve clinics and hospitals;
- Drive against misuse of drugs and alcohol;
- Consultation with traditional healers.
- Improve fire fighting ability within the municipality

#### ROLE PLAYERS IN THE PROCESS

- Department of Health;
- SAPS;
- Correctional services;
- NGO's;
- Local community;
- Local authority;
- Department of Education;
- Department of Water Affairs and Nature Conservation;
- Department of Social Development;
- SANDF;
- Disaster management teams;
- Private businesses;
- School governing bodies;
- Local clinics and hospital.

#### **2.2.7 STRATEGIC OBJECTIVE 7**

**IMPLEMENTATION OF AN AIDS AWARENESS CAMPAIGN IMMEDIATELY AFTER THE APPROVAL OF THE IDP WITHIN THE WIDER COMMUNITY TO CONTRIBUTE TO THE WELLBEING THEREOF AND TO DECREASE THE NUMBER OF CASES REPORTED MONTHLY**

#### PROPOSED SOLUTIONS TO THE PROBLEM

- Supply local community with local statistics in order to understand local problem;
- Distribute and market the problem in all levels of the society;
- Provide people with the financial and economic cost of AIDS on the economy;
- Fight AIDS on two levels:
  - awareness campaign;
  - care for the victim;
- During the campaign also protect the rights of the wider public without AIDS (his constitutional and private right);
- Provide sufficient male and female condoms;
- Bring the problem to the open;
- Provision of an AIDS policy/plan;
- Identify a body/person to drive the process.

#### ROLE PLAYERS IN THE PROCESS

- Department of Health and Welfare;
- Local Authority;
- Local community;
- AIDS forum to be established and managed by a nominated councillor;
- Churches;
- Schools;
- Youth organisations;

- National Association of People with AIDS.

## **2.2.8 STRATEGIC OBJECTIVE 8**

**TABLING OF A 3-YEAR STRATEGY TO STIMULATE LOCAL ECONOMIC GROWTH WITHIN THE MUNICIPAL AREA IN ORDER TO CREATE JOBS AND INCREASED WEALTH TO ALL LEVELS OF THE SOCIETY.**

### **PROPOSED SOLUTIONS TO THE PROBLEM**

- To establish and activate local business chambers;
- Establishment of a local economic development forum to be driven by the council;
- Develop a LED Strategy and Tourism plan
- Support and marketing of local business;
- Stimulation of the informal sector;
- Value to be added to local products and then the marketing thereof;
- Appointment of a consultant to conduct a detailed study in this regard.
- Development of land for irrigation
- Formulation of Business plans

### **ROLE PLAYERS IN THE PROCESS**

- Local authority;
- Development forum;
- Business chambers;
- Consultant;
- Farmers unions;
- Informal and upcoming farmers;
- District municipality;
- LED.

## **2.2.9 STRATEGIC OBJECTIVE 9**

**PLANNING FOR THE PROVISION, MAINTENANCE AND UPGRADING OF EXISTING AND FUTURE BULK AND LINK SERVICES AT ALL LEVELS FOR THE NEXT 3 YEARS IN ORDER TO UPLIFT THE COMMUNITIES STANDARD OF LIVING**

### **POTENTIAL SOLUTIONS TO THE PROBLEM**

The following table indicates the approach:

Facility	Service provided		
	Maintenance	Upgrade	Future provision
Roads & storm water	✓	✓	✓
Water	✓	✓	✓
Sewer	✓	✓	✓
Electricity	✓	✓	✓
Refuse removal	✓	✓	✓
Graveyards	✓	✓	✓
Fire brigade	✓	✓	✓

- Proper future planning for land uses and services needed;
- Services master plan / maintenance plan to be provided.

#### ROLE PLAYERS IN THE PROCESS

- Local authority;
- District municipality;
- COGHSTA.
- MIG;
- Eskom.

#### 2.2.10

#### STRATEGIC OBJECTIVE 10

**PLANNING FOR THE PROVISION, MAINTENANCE AND UPGRADING OF EXISTING AND FUTURE INTERNAL SERVICES AT ALL LEVELS FOR THE NEXT 3 YEARS IN ORDER TO PROVIDE A BETTER RESIDENTIAL ENVIRONMENT TO LIVE IN**

#### POTENTIAL SOLUTIONS TO THE PROBLEM

- The following table indicates the approach;

Facility	Service provided		
	Maintenance	Upgrade	Future provision
Roads & storm water	✓	✓	✓
Water	✓	✓	✓

Sewer	✓	✓	✓
Electricity	✓	✓	✓
Refuse removal	✓	✓	✓
Graveyards	✓	✓	✓
Fire brigade	✓	✓	✓

- This problem should be linked to the number of houses to be constructed over the next 5 years;
- Maintenance of current services needs to be addressed as an important issue;
- Provision of a service master plan/maintenance plan;

#### ROLE PLAYERS IN THE PROCESS

- local authority;
- District municipality;
- COGHSTA;
- MIG;
- Eskom;
- Community.

#### **2.3 IDENTIFICATION OF PROJECTS**

According to the guidelines project task teams should be appointed to identify certain projects within their field(s) of speciality.

A different approach for the identification of projects was followed because of the small size of the municipality and the limited staff available to assist with the process.

The projects were identified in the following way:

- the **identification of projects** by the IDP representative Forum and the IDP Steering Committee during engagement sessions.
- the **technical preparation** and formulation of the project during discussion sessions with certain professional people in their specific fields:
  - civil engineer and technical representative of the city council;
  - electrical engineer and technical representative of the council;
  - IDP Manager;
  - AIDS expert;
  - CFO; plus
  - Facilitator.

During the identification of the projects, the following basic guidelines/directives were applied to every project:

- objectives of each project and indicators to achieve these objectives;
- project outputs to be achieved related to target groups and locations;
- major activities, people responsible and timing;
- costing, budgets and services of funding.

#### **2.4 Summary list of identified projects.**

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Civil Services: Project H1.1.(a)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To provide serviced sites and houses for 350 in Vergenoeg	<ul style="list-style-type: none"> <li>• 350 houses build</li> <li>• 350 serviced sites;</li> <li>• Funding for the construction of 350 houses.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
350 service sites in Vergenoeg  Town register  Job creation and skills development	Homeless individuals within the wider municipal area.	As under “costing”.
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
Town planning layout.  Land survey & S.G. plan  Design civil services & houses.  Tender procedure.  Construction	Town planner;  Land surveyor; Civil engineer;  Contractor appointed.  DH&LG  Thembelihle Municipality	Primary objective
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>
Costing @ R150 000/unit.  Hopetown 200 = R30,000m  Strydenburg <u>50</u> = <u>R7,500m</u>  250 = R37,500m		COGHSTA (NC)

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Civil Services: Project H1.1.(a)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To provide serviced sites and houses for 300 in Hillside.	<ul style="list-style-type: none"> <li>• 300 houses build</li> <li>• 300 serviced sites;</li> <li>• Funding for the construction of 300 houses.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
300 service sites in Hillside  Town register  Job creation and skills development	Homeless individuals within the wider municipal area.	As under “costing”.
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
Town planning layout.  Land survey & S.G. plan  Design civil services & houses.  Tender procedure.  Construction	Town planner;  Land surveyor; Civil engineer;  Contractor appointed.  DH&LG  Thembelihle Municipality	Primary objective
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>  COGHSTA (NC)

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Civil Services: Project H1.1.(b)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To provide new houses in 7de Laan	<ul style="list-style-type: none"> <li>• 204 houses build</li> <li>• Infrastructure with all connections</li> <li>• Funding for the construction of 200 houses.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
204 new houses in Sewende Laan, Steynville  Town register  Job creation and skills development	Homeless individuals within the wider municipal area.	As under “costing”.
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
Town planning layout.  Land survey & S.G. plan  Design civil services & houses.  Tender procedure.  Construction	Town planner;  Land surveyor; Civil engineer;  Contractor appointed.  DH&LG  Thembelihle Municipality	Primary objective
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>
Costing @ R42 000/unit.  Hopetown 200 = R10,400m  Strydenburg <u>50</u> = R2,600m  250 = R13,000m		COGHSTA (NC)

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Civil Services: Project H1.1.(c)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To provide new houses in Deetlifsville	<ul style="list-style-type: none"> <li>• 63 houses build</li> <li>• Infrastructure with all connections</li> <li>• Funding for the construction of 63 houses.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
63 new houses in Deetlifsville to be build  Town register  Job creation and skills development	Homeless individuals within the wider municipal area.	As under “costing”.
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
Town planning layout.  Land survey & S.G. plan  Design civil services & houses.  Tender procedure.  Construction	Town planner;  Land surveyor; Civil engineer;  Contractor appointed.  DH&LG  Thembelihle Municipality	Primary objective
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>  COGHSTA (NC)
Costing @ R150 000/unit.  Strydenburg <u>63</u> =      R9,450m		

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Electrical Services: Project H1.2(a)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Provision of electricity to 204 residential sites in 7de Laan.	<ul style="list-style-type: none"> <li>• 204 sites electrified;</li> <li>• 204 electricity pre paid meters installed</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  204 household with electricity services;  Job creation	<b><u>TARGET AND TARGET GROUPS</u></b>  Previously marginalized homeless people in Thembelihle municipal area.	<b><u>LOCATION</u></b>  As stipulated under “costing”.
<b><u>MAJOR ACTIVITIES</u></b>  Design and costing of project.  Apply for funding.  Put out on tender.  Approve tender.  Start construction.	<b><u>RESPONSIBLE AGENCIES</u></b>  Electrical engineer;  Eskom  Local authority;  Contractor.	<b><u>NOTES</u></b>  Primary objective.
<b><u>COSTING</u></b>  Calculated @ R3 500/erf.  Hopetown <u>200</u> = <u>R0,700m</u>  4 community lights @ R50 000 = <u>R0,200m</u>  <u>R1,075m</u>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  <b>DONE</b>	<b><u>SOURCES OF FUNDING</u></b>  Eskom  Department of Mineral & Energy Affairs  MIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Electrical Services: Project H1.2(b)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Provision of electricity to 60 residential sites in Houjou Bek.	<ul style="list-style-type: none"> <li>• 60 sites electrified;</li> <li>• 60 electricity pre paid meters installed</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  60 household with electricity services; Job creation	<b><u>TARGET AND TARGET GROUPS</u></b>  Previously marginalized homeless people in Thembelihle municipal area.	<b><u>LOCATION</u></b>  As stipulated under “costing”.
<b><u>MAJOR ACTIVITIES</u></b>  Design and costing of project. Apply for funding. Put out on tender. Approve tender. Start construction.	<b><u>RESPONSIBLE AGENCIES</u></b>  Electrical engineer; Eskom Local authority; Contractor.	<b><u>NOTES</u></b>  Primary objective.
<b><u>COSTING</u></b>  Calculated @ R3 500/erf.  Hopetown <u>60</u> = <u>R0,210m</u>  4 community lights @ R50 000 = <u>R0,200m</u>  <u>R1,075m</u>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>  Eskom  Department of Mineral & Energy Affairs  MIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Electrical Services: Project H1.2(c)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Provision of electricity to 350 residential sites in Vergenoeg East.(Goutrou)	<ul style="list-style-type: none"> <li>• 350 sites electrified;</li> <li>• 350 electricity pre paid meters installed</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  350 household with electricity services;  Job creation	<b><u>TARGET AND TARGET GROUPS</u></b>  Previously marginalized homeless people in Thembelihle municipal area.	<b><u>LOCATION</u></b>  As stipulated under “costing”.
<b><u>MAJOR ACTIVITIES</u></b>  Design and costing of project.  Apply for funding.  Put out on tender.  Approve tender.  Start construction.	<b><u>RESPONSIBLE AGENCIES</u></b>  Electrical engineer;  Eskom  Local authority;  Contractor.	<b><u>NOTES</u></b>  Primary objective.
<b><u>COSTING</u></b>  Calculated @ R3 500/erf.  East of Vergenoeg <u>50</u> = <u>R0,875m</u>  4 community lights @ R50 000 = <u>R0,200m</u>  <u>R1,075m</u>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  (2016/2017)	<b><u>SOURCES OF FUNDING</u></b>  Eskom  Department of Mineral & Energy Affairs  MIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Electrical Services: Project H1.2(d)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Provision of electricity to 112 residential sites in Deetlesville.	<ul style="list-style-type: none"> <li>• 112 sites electrified;</li> <li>• 112 electricity pre paid meters installed</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>  112 household with electricity services;  Job creation	<b><u>TARGET AND TARGET GROUPS</u></b>  Previously marginalized homeless people in Thembelihle municipal area.	<b><u>LOCATION</u></b>  As stipulated under “costing”.	
<b><u>MAJOR ACTIVITIES</u></b>  Design and costing of project.  Apply for funding.  Put out on tender.  Approve tender.  Start construction.	<b><u>RESPONSIBLE AGENCIES</u></b>  Electrical engineer;  Eskom  Local authority;  Contractor.	<b><u>NOTES</u></b>  Primary objective.	
<b><u>COSTING</u></b>  Calculated @ R3 500/erf.  Deetlesville <u>112</u> = <u>R0,392m</u>	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  <b>DONE</b>	<b><u>SOURCES OF FUNDING</u></b>  Eskom  Department of Mineral & Energy Affairs  MIG	

**PROJECT LOGICAL FRAMEWORK APPROACH – Bulk Water and Sewerage Services: Project B1.1**

<b>OBJECTIVES</b>	<b>INDICATORS FOR ACHIEVEMENT</b>																				
To provide adequate services in Thembelihle Area .	<ul style="list-style-type: none"> <li>• Upgrading of New &amp; Old Oxidation Ponds;</li> <li>• Upgrade of Water accumulation reservoir &amp; pressure tank (hpt) ;</li> <li>• Upgrade Sewerage main line from Steynville to main pump station including the industrial area.</li> </ul>																				
<b>PROJECT OUTPUT</b>	<b>TARGET AND TARGET GROUPS</b>	<b>LOCATION</b>																			
<ul style="list-style-type: none"> <li>• Improved purification works;</li> <li>• Improved storage facilities;</li> <li>• Job creation</li> </ul>	Over a period of 5 years all the residents of the municipal area will be accommodated.	As stipulated under “costing”.																			
<b>MAJOR ACTIVITIES</b>	<b>RESPONSIBLE AGENCIES</b>	<b>NOTES</b>																			
Design and costing of project. Apply for funding. Put out on tender. Approve tender. Start construction.	Civil engineer; Local authority; Contractor.	Primary objective.																			
<b>COSTING</b>	<b>BUDGET:</b>  Budget year (2015/2016)  (2016/2017)	<b>SOURCES OF FUNDING</b>  Department of Water Affairs  MIG																			
Calculated @ R3 500/erf.  <table> <tr> <td>Hopetown</td> <td>200</td> <td>=</td> <td>R0,700m</td> </tr> <tr> <td>Strydenburg</td> <td>50</td> <td>=</td> <td>R0,175m</td> </tr> <tr> <td></td> <td>250</td> <td>=</td> <td>R0,875m</td> </tr> <tr> <td>4 community lights @ R50 000 =</td> <td></td> <td></td> <td>R0,200m</td> </tr> <tr> <td></td> <td></td> <td></td> <td>R1,075m</td> </tr> </table>	Hopetown	200	=	R0,700m	Strydenburg	50	=	R0,175m		250	=	R0,875m	4 community lights @ R50 000 =			R0,200m				R1,075m	
Hopetown	200	=	R0,700m																		
Strydenburg	50	=	R0,175m																		
	250	=	R0,875m																		
4 community lights @ R50 000 =			R0,200m																		
			R1,075m																		

**PROJECT LOGICAL FRAMEWORK APPROACH – Water network pipes: Project C.1**

<b>OBJECTIVES</b>  To replace with UPVC water network pipes in Hopetown.  Internal water reticulation Hpt/Steynville	<b>INDICATORS FOR ACHIEVEMENT</b>  <ul style="list-style-type: none"> <li>• Feasibility study for funding</li> <li>• Decrease in water losses;</li> <li>• Prevent discontinuation of water services</li> </ul>	
<b>PROJECT OUTPUT</b>  <ul style="list-style-type: none"> <li>• Improved purification works;</li> <li>• Improved storage facilities;</li> <li>• Job creation</li> </ul>	<b>TARGET AND TARGET GROUPS</b>  Over a period of 5 years all the residents of the municipal area will be accommodated.	<b>LOCATION</b>  Hopetown.
<b>MAJOR ACTIVITIES</b>  Design and costing of project.  Apply for funding.  Put out on tender.  Approve tender.  Start construction.	<b>RESPONSIBLE AGENCIES</b>  Civil engineer;  Local authority;  Contractor.	<b>NOTES</b>  Primary objective.
<b>COSTING</b>  R 12,000 000	<b>BUDGET:</b>  Budget year (2016/2017)	<b>SOURCES OF FUNDING</b>  Department of Water Affairs  ACIP

**PROJECT LOGICAL FRAMEWORK APPROACH – Water network pipes: Project C.2**

<b>OBJECTIVES</b>  To replace with UPVC water network pipes in Strydenburg.  Upgrading of Pump Station	<b>INDICATORS FOR ACHIEVEMENT</b>  <ul style="list-style-type: none"> <li>• Feasibility study for funding</li> <li>• Decrease in water losses;</li> <li>• Prevent discontinuation of water services</li> </ul>	
<b>PROJECT OUTPUT</b>  <ul style="list-style-type: none"> <li>• Improved purification works;</li> <li>• Improved storage facilities;</li> <li>• Job creation</li> </ul>	<b>TARGET AND TARGET GROUPS</b>  Over a period of 5 years all the residents of the municipal area will be accommodated.	<b>LOCATION</b>  Strydenburg.
<b>MAJOR ACTIVITIES</b>  Design and costing of project.  Apply for funding.  Put out on tender.  Approve tender.  Start construction.	<b>RESPONSIBLE AGENCIES</b>  Civil engineer;  Local authority;  Contractor.	<b>NOTES</b>  Primary objective.
<b>COSTING</b>  R 250,000	<b>BUDGET:</b>  Budget year (2014/2015)  (In process)	<b>SOURCES OF FUNDING</b>  Department of Water Affairs  ACIP

**PROJECT LOGICAL FRAMEWORK APPROACH – Water Boreholes: Project D.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Equipping of 2 additional boreholes in Strydenburg.	<ul style="list-style-type: none"> <li>• Additional Boreholes</li> <li>• Redundancy on the bulk water resources.</li> <li>• Prevent discontinuation of water services</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>  Over a period of 5 years all the residents of the municipal area will be accommodated.	<b><u>LOCATION</u></b>  Hopetown.
<b><u>MAJOR ACTIVITIES</u></b>  Design and costing of project.  Apply for funding.  Start construction.	<b><u>RESPONSIBLE AGENCIES</u></b>  Civil engineer;  Local authority;  Contractor.	<b><u>NOTES</u></b>  Primary objective.
<b><u>COSTING</u></b>  R 120,000  Contractor – Kattie Liebenberg	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  <span style="background-color: cyan; color: black; padding: 2px;">BUSY</span> (in progress)	<b><u>SOURCES OF FUNDING</u></b>  Department of Water Affairs

**PROJECT LOGICAL FRAMEWORK APPROACH – Water Pump Station: Project D.1**

<b>OBJECTIVES</b>  Orange River raw water pump station in Hopetown.	<b>INDICATORS FOR ACHIEVEMENT</b>  <ul style="list-style-type: none"> <li>• Refurbish existing raw water pump station</li> <li>• Decrease in water losses;</li> <li>• Prevent discontinuation of water services</li> </ul>	
<b>PROJECT OUTPUT</b>  <ul style="list-style-type: none"> <li>• Improved purification works;</li> <li>• Improved storage facilities;</li> <li>• Job creation</li> </ul>	<b>TARGET AND TARGET GROUPS</b>  Over a period of 5 years all the residents of the municipal area will be accommodated.	<b>LOCATION</b>  Hopetown.
<b>MAJOR ACTIVITIES</b>  Design and costing of project.  Put out on tender.  Approve tender.  Start construction.	<b>RESPONSIBLE AGENCIES</b>  Civil engineer;  Local authority;  Contractor.	<b>NOTES</b>  Primary objective.
<b>COSTING</b>  R 12,500,000  Consultant – Worley Parsons	<b>BUDGET:</b>  Budget year (2014/2015)  <b>BUSY</b> (in progress)	<b>SOURCES OF FUNDING</b>  MIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Replace of A/C Line: Project G.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Replace A/C Line from Thornville PS to Strydenburg to a full UPVC line.	<ul style="list-style-type: none"> <li>• Use local labour;</li> <li>• Improved water flow</li> <li>• Improved service delivery</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
Upgrading of infrastructure  Job creation	All residents.	Strydenburg	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Prepare design and costing;</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>	
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
Strydenburg – EPWP List	(2016/2017)	<ul style="list-style-type: none"> <li>• EPWP</li> <li>• ACIP</li> </ul>	

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrade main entrance road: Project Civil 1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Roads & Stormwater infrastructure for Strydenburg	<ul style="list-style-type: none"> <li>• Use local labour;</li> <li>• Avoiding of floods</li> <li>• Improved and trouble free motoring surface.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Upgrade access roads & stormwater drainage  Construction speed bumps	All residents.	Deetlefsville & Mandela Square
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Prepare design and costing;</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>  (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>
Steynville - R11,000,000  Strydenburg – R11,000,000  - R22,000,000		<ul style="list-style-type: none"> <li>• MIG</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrade main entrance road: Project Civil 1.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Roads & Stormwater infrastructure for Hopetown	<ul style="list-style-type: none"> <li>• Use local labour;</li> <li>• Avoiding of floods</li> <li>• Improved and trouble free motoring surface.</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
Upgrade access roads & stormwater drainage  Construction speed bumps	All residents.	Deetlefsville & Mandela Square	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Prepare design and costing;</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>	
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
Steynville - R11,000,000  Strydenburg – R11,000,000  - R22,000,000	(2015/2016)	<ul style="list-style-type: none"> <li>• MIG</li> </ul>	

**PROJECT LOGICAL FRAMEWORK APPROACH – Stormwater culvert Prieska road: Project Civil 2**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Roads & Stormwater infrastructure on Prieska Road at Deetlefsville	<ul style="list-style-type: none"> <li>• Use local labour;</li> <li>• Avoiding of floods</li> <li>• Improved and trouble free motoring surface.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Upgrade access roads & stormwater drainage  Construction speed bumps	All residents.	Deetlefsville
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Prepare design and costing;</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
- EPWP Project List	(2016/2017)	<ul style="list-style-type: none"> <li>• EPWP</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrade Main Entrance Road: Project Civil. 2**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Paving & Stormwater in Hopetown	<ul style="list-style-type: none"> <li>• Use local labour;</li> <li>• Avoiding of floods</li> <li>• Improved and trouble free motoring surface.</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
Ensure visitors and public have a safe public and comfortable experience when entering Hopetown CBD	All residents.	Hopetown	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Prepare design and costing;</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>	
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b> (2016/2017)	<b><u>SOURCES OF FUNDING</u></b>	
- R18,000,000		<ul style="list-style-type: none"> <li>• MIG</li> </ul>	

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrade of Internal Roads: Project Civil.3**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Paving & Stormwater of internal Street in Steynville	<ul style="list-style-type: none"> <li>• Use local labour;</li> <li>• Avoiding of floods</li> <li>• Improved and trouble free motoring surface.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
<p>Ensure visitors and public have a safe public and comfortable experience when entering Hopetown CBD</p> <p>Repair to streets in Hopetown</p> <p>Street riding surfaces badly damage with potholes</p>	All residents.	Hopetown
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Prepare design and costing;</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b> (2014/2015) (2015/2016) (2016/2017) (2017/2018) (2018/2019)	<b><u>SOURCES OF FUNDING</u></b>
- R1,000,000		<ul style="list-style-type: none"> <li>• EPWP</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrade of Main Road: Project Civil. 4**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Paving of Streets in Strydenburg	<ul style="list-style-type: none"> <li>• Use local labour;</li> <li>• Avoiding of floods</li> <li>• Improved and trouble free motoring surface.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Repair to streets in Strydenburg  Street riding surfaces badly damage with potholes	All residents.	Strydenburg
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Prepare design and costing;</li> <li>• Budget</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
- R1,000,000	(2015/2016)	<ul style="list-style-type: none"> <li>• EPWP</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrade of Waste Water Treatment Works : Project F.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Decommission old WWTW at Strydenburg	<ul style="list-style-type: none"> <li>• Feasibility study taking Gariep Abattoir into consideration</li> <li>• May require the upgrading of the works specifically as primary treatment for the abattoir</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
<ul style="list-style-type: none"> <li>• Improved purification works;</li> <li>• Improved storage facilities;</li> <li>• Job creation</li> </ul>	Over a period of 5 years all the residents of the municipal area will be accommodated.	Strydenburg	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
Design and costing of project.  Apply for funding.  Put out on tender.  Approve tender.  Start construction.	Civil engineer;  Local authority;  Contractor.	Primary objective.	
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
R 50,000	Budget year (2015/2016)	RBIG  DWA	

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrade of Water Treatment Works : Project F.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Construction of new 5,6 ML/day WTW at Hopetown	<ul style="list-style-type: none"> <li>• Job Creation</li> <li>• Improve service delivery</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
<ul style="list-style-type: none"> <li>• Improved purification works;</li> <li>• Improved storage facilities;</li> <li>• Job creation</li> </ul>	Over a period of 5 years all the residents of the municipal area will be accommodated.	Hopetown	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
Design and costing of project.  Start construction.	Civil engineer;  Local authority;  Contractor.	Primary objective.	
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>  Budget year (2012/2014)	<b><u>SOURCES OF FUNDING</u></b>	
R 36,000,000	DONE	RBIG  MIG	

**PROJECT LOGICAL FRAMEWORK APPROACH – Underground Water Resources : Project F.2**

<b><u>OBJECTIVES</u></b>  Augmentation of the Strydenburg Underground water resources.	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Feasibility study for funding</li> <li>• Augmentation of boreholes and pipelines</li> <li>• Prevent discontinuation of water services</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  <ul style="list-style-type: none"> <li>• Improved purification works;</li> <li>• Improved storage facilities;</li> <li>• Job creation</li> </ul>	<b><u>TARGET AND TARGET GROUPS</u></b>  Over a period of 5 years all the residents of the municipal area will be accommodated. <sup>47</sup>	<b><u>LOCATION</u></b>  Hopetown.
<b><u>MAJOR ACTIVITIES</u></b>  Design and costing of project.  Apply for funding.  Put out on tender.  Approve tender.  Start construction.	<b><u>RESPONSIBLE AGENCIES</u></b>  Civil engineer;  Local authority;  Contractor.	<b><u>NOTES</u></b>  Primary objective.
<b><u>COSTING</u></b>  R 13,869 000  Consultant – Worley Parsons	<b><u>BUDGET:</u></b>  Budget year (2014/2015)  <b>DONE</b>	<b><u>SOURCES OF FUNDING</u></b>  RBIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Housing and Civil Services: Project H4.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
To provide High mass lights for new residential areas.	<ul style="list-style-type: none"> <li>• Improvement of quality of life</li> <li>• Job creation in community;</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
A- Sewende Laan. B- Deetlefsville. C- Vergenoeg East (Gou Trou) D- Hillside	Landless individuals within the wider municipal area.	As under “costing”.	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
Town planning layout.  Tender procedure.  Construction	Technical Manager  Civil engineer  Contractor appointed.	Primary objective	
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>  Budget (2015/2016)  Year (2016/2017)	<b><u>SOURCES OF FUNDING</u></b>	
Costing @ R250,000/unit. X 2= R500,000.00		COGHSTA(NC)  MIG	

**PROJECT LOGICAL FRAMEWORK APPROACH – Water link supply new development area: Project Civil H4.2**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To provide bulk services and extend the underground water resources in Strydenburg.	<ul style="list-style-type: none"> <li>• Bulk water &amp; sewer services</li> <li>• EIA study</li> <li>• Use local labour;</li> <li>• Provision of facility on site in time.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
<ul style="list-style-type: none"> <li>• Provision of new water bulk supply line in two phases.</li> </ul>	Landless individuals in Steynville & Strydenburg	Hopetown (Steynville) & Strydenburg
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Prepare designs and costing;</li> <li>• Apply for funds;</li> <li>• Tender procedure;</li> <li>• Start construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Civil engineer;</li> <li>• Local Authority;</li> <li>• Contractor.</li> </ul>	Primary objective (phased over two years).
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
R12,500,000m	Year (2014/2015).  BUSY (in progress)	RBIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Sanitation Master Plan: Project Civil 1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Sanitation Master Plan for Hopetown & Strydenburg	<ul style="list-style-type: none"> <li>• Healthier environment;</li> <li>• Cut in management cost.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Timing for future upgrading  Set out the Capacities of existing bulk & internal services.	Thembelihle.	Strydenburg & Hopetown
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Design and costing;</li> <li>• Tender procedure;</li> <li>• Construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
R 100,000	Year (2015/2016)	Local Authority

**PROJECT LOGICAL FRAMEWORK APPROACH – Upgrading of existing internal toilet system: Project Hpt Civil 2**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Provision of better sanitation facilities.  Replacement VIP systems in area: Vergenoeg East & 7de Laan  Urine diversion toilets - Hou Jou Bek is Finalize	<ul style="list-style-type: none"> <li>• Healthier environment;</li> <li>• Cut in management cost.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Improve the lifestyle of the residents.	Deetliftsville & Steynville residents.	Strydenburg & Hopetown
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Design and costing;</li> <li>• Apply for funds;</li> <li>• Tender procedure;</li> <li>• Construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> <li>• District Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
Phase 1 - R1,900M	Year (2014/2015) <b>Hou jou bek is finalize</b>  (2015/2016)	MIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Provide internal toilet system: Project Kraankuil Civil 3**

<b><u>OBJECTIVES</u></b>  Provision of better Water & Sanitation facilities at Kraankuil Station. (Ward 2)	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Healthier environment;</li> <li>• Cut in management cost.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Improve the lifestyle of the residents.	<b><u>TARGET AND TARGET GROUPS</u></b>  Kraankuil Station residents.	<b><u>LOCATION</u></b>  Thembelihle Area
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Design and costing;</li> <li>• Apply for funds;</li> <li>• Tender procedure;</li> <li>• Construction.</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> <li>• District Municipality</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>  Phase 1 - R1,900M	<b><u>BUDGET</u></b>  Year (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>  EPWP  MIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Provision of internal toilet system: Project Oranje-river Station Civil 4**

<b><u>OBJECTIVES</u></b>  Provision of better Water & Sanitation facilities.(Ward2)	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Healthier environment;</li> <li>• Cut in management cost.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Improve the lifestyle of the residents.	<b><u>TARGET AND TARGET GROUPS</u></b>  Oranje-river Station residents.	<b><u>LOCATION</u></b>  Thembelihle Area
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Design and costing;</li> <li>• Apply for funds;</li> <li>• Tender procedure;</li> <li>• Construction.</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> <li>• District Municipality</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>  Phase 1 - R1,900M	<b><u>BUDGET</u></b>  Year (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>  EPWP  MIG

**PROJECT LOGICAL FRAMEWORK APPROACH – Provision of Public Toilets: Project Stb Civil 2**

<b><u>OBJECTIVES</u></b>  Provision of better sanitation facilities in Strydenburg.	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Healthier environment;</li> <li>• Cut in management cost.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Provision of sanitation facilities  Improve the lifestyle of the residents.	<b><u>TARGET AND TARGET GROUPS</u></b>  Deetlifsville & Steynville	<b><u>LOCATION</u></b>  Strydenburg
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Design and costing;</li> <li>• Apply for funds;</li> <li>• Tender procedure;</li> <li>• Construction.</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• Civil engineer;</li> <li>• Local authority;</li> <li>• Contractor.</li> <li>• District Municipality</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>  R1,000 000	<b><u>BUDGET</u></b>  Year (2015/2016)  EPWP Project List	<b><u>SOURCES OF FUNDING</u></b>  EPWP

**PROJECT LOGICAL FRAMEWORK APPROACH – Electrical master plan: Project Elec 8**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Improved management and development of electricity.	<ul style="list-style-type: none"> <li>• Co-ordinated provision and management.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Electrical master plan for the wider municipal area.	All the erven and residents.	Wider Thembelihle
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Apply for funds;</li> <li>• Prepare plan;</li> </ul>	<ul style="list-style-type: none"> <li>• Electrical engineer;</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective;</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
R0,030m	Year (2015/2016)	<ul style="list-style-type: none"> <li>• District mun.</li> <li>• Treasury</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Electrical Supply System: Project Elec 9**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Upgrading of Strydenburg Main Intake Station  Upgrading of Strydenburg & Hopetown internal Recirculation.	<ul style="list-style-type: none"> <li>• Co-ordinated provision and management.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Electrical supply system for the Strydenburg area.	All the erven and residents.	Wider Strydenburg
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Apply for funds;</li> <li>• Prepare plan;</li> </ul>	<ul style="list-style-type: none"> <li>• Electrical engineer;</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective;</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
R100,000  Contractor - Katie Liebenberg	Year (2015/2016)	<ul style="list-style-type: none"> <li>• Local Authority</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Green Parks: Project J.1**

<b><u>OBJECTIVES</u></b>  Green Parks for Steynville and Deetlefsville	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Tree Planting, Fencing, Ablution Facilities, Braai Facilities, Lawns &amp; Irrigation</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Create a better and a safe environment in the area	<b><u>TARGET AND TARGET GROUPS</u></b>  All the residents.	<b><u>LOCATION</u></b>  Wider Thembelihle
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Prepare plan;</li> <li>• Implementation</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• DEA</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective;</li> </ul>
<b><u>COSTING</u></b>  Strydenburg- R3,000,000  Hopetown – R3,000,000	<b><u>BUDGET</u></b>  Year (2014/2015)  <b>BUSY</b> (in progress)	<b><u>SOURCES OF FUNDING</u></b>  <ul style="list-style-type: none"> <li>• DEA</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Removal of Prosopis: Project J.2**

<b><u>OBJECTIVES</u></b>  Removal of Prosopis Trees in Hopetown	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Commonage Management</li> <li>• Improve Natural veld</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Labour Intensive  Working for water	<b><u>TARGET AND TARGET GROUPS</u></b>  All the residents.	<b><u>LOCATION</u></b>  Hopetown
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Prepare plan;</li> <li>• Implementation</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• DEA</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective;</li> </ul>
<b><u>COSTING</u></b>  Hopetown – R1,000 000	<b><u>BUDGET</u></b>  Year (2014/2015)  <b>DONE</b>	<b><u>SOURCES OF FUNDING</u></b>  <ul style="list-style-type: none"> <li>• DEA</li> <li>• DWS</li> <li>• EPWP</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Removal of Prosopis: Project J.3**

<b><u>OBJECTIVES</u></b>  Removal of Prosopis Trees in Strydenburg	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Commonage Management</li> <li>• Improve Natural veld</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Labour Intensive  Working for water	<b><u>TARGET AND TARGET GROUPS</u></b>  All the residents.	<b><u>LOCATION</u></b>  Strydenburg
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Prepare plan;</li> <li>• Implementation</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• DEA</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective;</li> </ul>
<b><u>COSTING</u></b>  Strydenburg – R1,000 000	<b><u>BUDGET</u></b>  Year (2014/2015)  <b>BUSY</b> (in progress)	<b><u>SOURCES OF FUNDING</u></b>  <ul style="list-style-type: none"> <li>• DEA</li> <li>• DWS</li> <li>• EPWP</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Additional Office Space: Project J.4**

<b><u>OBJECTIVES</u></b>  Additional Office Space & Upgrade of Offices	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Improve Service delivery</li> <li>• Efficient Administration</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Employment  Conducive environment	<b><u>TARGET AND TARGET GROUPS</u></b>  Municipal Staff	<b><u>LOCATION</u></b>  Wider Municipality
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Prepare plan;</li> <li>• Implementation</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• DEA</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective;</li> </ul>
<b><u>COSTING</u></b>  Thembelihle – R1,000 000	<b><u>BUDGET</u></b>  (2014/2015)  <b>In Process</b>	<b><u>SOURCES OF FUNDING</u></b>  <ul style="list-style-type: none"> <li>• EPWP</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Solid Waste Awareness Campaign: Project J.5**

<b><u>OBJECTIVES</u></b>  Awareness Campaign	<b><u>INDICATORS FOR ACHIEVEMENT</u></b> <ul style="list-style-type: none"> <li>• Handling &amp; Recycling</li> <li>• Feasibility Study</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Create a better and a safe environment in the area	<b><u>TARGET AND TARGET GROUPS</u></b>  All the residents.	<b><u>LOCATION</u></b>  Wider Thembelihle
<b><u>MAJOR ACTIVITIES</u></b> <ul style="list-style-type: none"> <li>• Prepare plan;</li> <li>• Implementation</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b> <ul style="list-style-type: none"> <li>• DEA</li> </ul>	<b><u>NOTES</u></b> <ul style="list-style-type: none"> <li>• Primary objective;</li> </ul>
<b><u>COSTING</u></b>  R100,000.00	<b><u>BUDGET</u></b>  Year (2015/2016)	<b><u>SOURCES OF FUNDING</u></b> <ul style="list-style-type: none"> <li>• DEA</li> <li>• EPIP</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Water & Wastewater Awareness Campaign: Project J.6**

<b><u>OBJECTIVES</u></b>  Awareness Campaign	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  • DWA Blue & Green drop system	
<b><u>PROJECT OUTPUT</u></b>  Improve service delivery	<b><u>TARGET AND TARGET GROUPS</u></b>  All the residents.	<b><u>LOCATION</u></b>  Wider Thembelihle
<b><u>MAJOR ACTIVITIES</u></b>  • Prepare plan; • Implementation	<b><u>RESPONSIBLE AGENCIES</u></b>  • DEA	<b><u>NOTES</u></b>  • Primary objective;
<b><u>COSTING</u></b>  Strydenburg- R3,000,000  Hopetown – R3,000,000	<b><u>BUDGET</u></b>  Year (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>  • DWA

**PROJECT LOGICAL FRAMEWORK APPROACH: INSTITUTIONAL FACILITY (GOVERNMENT) Project L.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Provision of a Multi Purpose Community Centre for government services and information	<ul style="list-style-type: none"> <li>• Improved service provision;</li> <li>• Championed by Municipal Manager</li> <li>• Improved service delivery</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
<ul style="list-style-type: none"> <li>• Effective communication between community and government</li> <li>• A One stop government service centre that is accessible to the community</li> </ul>	<ul style="list-style-type: none"> <li>• Community</li> <li>• Government departments</li> </ul>	Thembelihle municipal area.	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Establish local inter sectorial committee.</li> <li>• Formal application to GCIS</li> <li>• Identification of suitable building.</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal manager.</li> <li>• Technical Manager</li> <li>• CFO</li> </ul>	Secondary objective.	
<b><u>COSTING</u></b>	<b><u>BUDGET YEAR</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
R600,000.00	2015/2016	MIG Premier's Office GCIS	

**PROJECT LOGICAL FRAMEWORK APPROACH: INSTITUTIONAL FACILITIES: Provision of bus and taxi facilities: Project L.2**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
A Feasibility study of a bus and taxi facility.	<ul style="list-style-type: none"> <li>• Well-established and planned facilities;</li> <li>• Happy taxi associations.</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
Costing, survey and planning of taxi ranks.	Thembelihle Community	<ul style="list-style-type: none"> <li>• Strydenburg;</li> <li>• Hopetown.</li> </ul>	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Negotiations with bus and taxi associations on planning and locality;</li> <li>• Prepare costing and preliminary design;</li> <li>• Apply for funding;</li> <li>• On receipt of funds, start construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Taxi associations;</li> <li>• Local Authority;</li> <li>• Civil Engineer;</li> <li>• Karoo District Municipality;</li> <li>• Department of Transport.</li> </ul>	Primary objective.	
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
Design and Construction ± R3,400,000.00	Year (2015/2016)	<ul style="list-style-type: none"> <li>• District Municipality</li> <li>• Dept. of Roads/Public Works</li> <li>• Dept. Economic Affairs</li> <li>• MIG</li> </ul>	

**PROJECT LOGICAL FRAMEWORK APPROACH: INSTITUTIONAL FACILITIES: Provision of a Drivers License Test Centre: Project L.3**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Upgrading of offices and implementation of a Drivers License Test Centre & inspection bay for vehicles.	<ul style="list-style-type: none"> <li>• Effective service to surrounding towns</li> <li>• Increase in municipal revenue</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
Survey, costing and planning.  Financial income for municipality  Traffic control officers appointed	All residents within the municipal area.	<ul style="list-style-type: none"> <li>• Hopetown.</li> </ul>	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Negotiate with the necessary authorities;</li> <li>• Relocating of Vehicle Registration Department;</li> <li>• If viable, decide on:           <ul style="list-style-type: none"> <li>- locality;</li> <li>- costing;</li> <li>- planning.</li> </ul> </li> <li>• Apply for funds;</li> <li>• Construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Local Authority;</li> <li>• Provincial Department of Transport</li> <li>• Civil Engineers</li> </ul>	Primary objective.	
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
R5,000 000.00	Year (2015/2016)	Department Safety and Liason  Pixley Ka Seme District Municipality	

**PROJECT LOGICAL FRAMEWORK APPROACH: SOCIAL UPLIFTMENT (EDUCATION): Project S.1**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Sufficient and upgraded educational facilities.	<ul style="list-style-type: none"> <li>• Build of new schools;</li> <li>• Create conducive environment for learners.</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
A report and letter to the necessary departments.	School buildings and facilities within the wider service area.	Wider municipal area.	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Farm schools to be addressed;</li> <li>• Upgrading of present school buildings and facilities;</li> <li>• Maintenance on grounds;</li> <li>• Provision of sufficient future facilities;</li> <li>• Bus service farm schools.</li> </ul>	<ul style="list-style-type: none"> <li>• IDP Manager;</li> <li>• Municipal manager.</li> </ul>	Secondary objective; Detail problems identified in the analyses.	
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
Nil	Year 1 (2015/2016) Year 2 (2016/2017)	Department Education	

**PROJECT LOGICAL FRAMEWORK APPROACH: SOCIAL UPLIFTMENT (SPORT) Project S.2**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Upgrade of sport facilities within residential and other areas.	<ul style="list-style-type: none"> <li>• Better recreational facilities in residential and other areas;</li> <li>• Prepare report within first budget year.</li> <li>• Application to the National Lottery Fund</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Survey and report to indicate the status of existing facilities and potential upgrading.  Upgrading of Hopetown and Strydenburg Sports Facilities	<ul style="list-style-type: none"> <li>• All the sport facilities;</li> <li>• Residents within the wider municipal area.</li> </ul>	Thembelihle municipal area.
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Survey into the condition of present facilities;</li> <li>• Costing to upgrade and maintenance to be done;</li> <li>• Include local residents in project;</li> <li>• Establish sport committees.</li> <li>• Construction</li> </ul>	<ul style="list-style-type: none"> <li>• Municipal manager;</li> <li>• Official to be appointed.</li> </ul>	Primary objective.
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
<ul style="list-style-type: none"> <li>• R4, 500,000.00.</li> </ul>	<ul style="list-style-type: none"> <li>• Year (2015/2016)</li> </ul>	<ul style="list-style-type: none"> <li>• National Lottery;</li> <li>• Thembelihle municipality;</li> <li>• District municipality,</li> <li>• Dept of Sport</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH: SOCIAL UPLIFTMENT (HIV/AIDS) Project S.3**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Reduce HIV/AIDS infection. (Special programmes)	<ul style="list-style-type: none"> <li>• To reduce the infection rates of adults with 2% by 2014;</li> <li>• Reduce unborn babies with 5% by 2014;</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b> <ul style="list-style-type: none"> <li>• Holistic approach;</li> <li>• Local community:             <ul style="list-style-type: none"> <li>- churches, schools, NGO's, parents;</li> </ul> </li> <li>• Department of Social Services;</li> <li>• Department of Health;</li> <li>• Private institutions;</li> <li>• District municipality</li> </ul>	<b><u>LOCATION</u></b>  Wider municipal area (including the rural area).
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b> <ul style="list-style-type: none"> <li>• Mayor to chair Local AIDS Council ;</li> <li>• AIDS council to monitor implementation of ARV treatment</li> <li>• Nurses welfare people on voluntary base;</li> <li>• Council.</li> </ul>	<b><u>NOTES</u></b>  Primary objective.  <b>GENDER,YOUTH &amp; DISABILITY</b>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>  R100,000.00 (2015/2016)	<b><u>SOURCES OF FUNDING</u></b> <ul style="list-style-type: none"> <li>• Government Depts.</li> <li>• District municipality;</li> <li>• Thembelihle municipality</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH: VIABILITY STUDY SMALL HOLDINGS: Project Ec 1:**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To organise Emerging farmers and provide them with better facilities.	<ul style="list-style-type: none"> <li>• More sustainable Emerging farming community;</li> <li>• Implementation of piggery project.</li> <li>• Upgraded infrastructure (Sun pumps for Boreholes)</li> <li>• By-Law in place.</li> <li>• Pound regulation in place</li> <li>• Use of Commonage Policy</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Better usage of commonage with economic spin offs.  Upgraded infrastructure  Development and implementation of a plan to stabilise degradation of commonage caused by overgrazing.	Emerging farmers and “karretjie mense”.	Wider municipal area.
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Develop commonage policy, management plan, Pound By-LAW and universal tariffs across the municipal area;</li> <li>• Upgrading of Infrastructure;</li> <li>• Capacity Building sessions.</li> </ul>	<ul style="list-style-type: none"> <li>• Thembelihle Local Authority;</li> <li>• Department of Land Affairs;</li> <li>• Department of Agriculture.</li> <li>• FARM AFRICA</li> </ul>	Primary objective.
<b><u>COSTING</u></b>	<b><u>BUDGET:</u></b>  Year (2015/2016)	<b><u>SOURCES OF FUNDING</u></b>
Capacity Building - R0,080m  Infrastructure upgrading – R1,300m		<ul style="list-style-type: none"> <li>• Land Affairs;</li> <li>• Dept. of Agriculture</li> <li>• FARM AFRICA</li> </ul>

- |  |  |                         |
|--|--|-------------------------|
|  |  | • District Municipality |
|--|--|-------------------------|
- District Municipality

**PROJECT LOGICAL FRAMEWORK APPROACH – ECONOMIC FACILITIES – Project Ec 2:**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To provide spatial framework for future developmental purposes.	<ul style="list-style-type: none"> <li>• Clear development nodes</li> <li>• Comprehensive framework available</li> <li>• Economic growth.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Sufficient space for future development.  Stakeholder and community participation.  Clear direction for developmental patterns  Detailed spatial analysis	All sectors of society	Wider municipal area
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
Community consultation;  Appoint a consultant to conduct detail study.	Service Provider  DBSA  Thembelihle Municipality	Primary objective.  Notes of economic potential in the analyses.
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
Appoint Service Provider ± R500,000,00	Budget year 1 (2015/2016).	Dept. Rural Development  District Municipality  Thembelihle Municipality

**PROJECT LOGICAL FRAMEWORK APPROACH – ECONOMIC FACILITIES – Project Ec 3:**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To develop 800 hectares of land for irrigation purposes.	<ul style="list-style-type: none"> <li>• 800 hectares of irrigation land</li> <li>• Job creation for the unemployed</li> <li>• Agriculture development.</li> <li>• Economic growth</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
<ul style="list-style-type: none"> <li>• Empowerment of 40 families.</li> <li>• Infrastructure development</li> <li>• Job creation</li> <li>• Building of skills</li> <li>• 4000 hectares of water rights</li> </ul>	<p>Unemployed youth and women.</p> <p>Poorest of the poor</p>	Wider municipal area
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Design layout of new infrastructure</li> <li>• Building of new pump station and of pipes for irrigation system</li> <li>• Setting up of pivots</li> <li>• Growing of crops</li> </ul>	<p>BVi Civil Engineers</p> <p>Department Land Affairs</p> <p>Thembelihle Municipality</p> <p>DWAF</p> <p>Local Cooperatives</p>	Primary objective.
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
R164,000,M  R200,000,M	Budget year (2015/2016).	DWAF  Dept Agriculture Land Reform

		Thembelihle Municipality
--	--	--------------------------

**PROJECT LOGICAL FRAMEWORK APPROACH – ECONOMIC FACILITIES – Project Ec 4:**

<b><u>OBJECTIVES</u></b>  Irrigation system recycling effluent from WWTW to sports field.	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Job creation for the unemployed</li> <li>• Agriculture development.</li> <li>• Economic growth</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  <ul style="list-style-type: none"> <li>• Infrastructure development</li> <li>• Job creation</li> <li>• Building of skills</li> </ul>	<b><u>TARGET AND TARGET GROUPS</u></b>  Unemployed youth and women.  Poorest of the poor	<b><u>LOCATION</u></b>  Wider municipal area
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Design layout of new infrastructure</li> <li>• Building of new pump station and of pipes for irrigation system</li> <li>• Setting up of pivots</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  BVi Civil Engineers  Department Land Affairs  Thembelihle Municipality  DWAF  Local Cooperatives	<b><u>NOTES</u></b>  Primary objective.
<b><u>COSTING</u></b>  R1000 000,00	<b><u>BUDGET</u></b>  Budget year (2015/2016).	<b><u>SOURCES OF FUNDING</u></b>  DWAF / EPWP

		Dept Agriculture Land Reform Thembelihle Municipality
--	--	--

**PROJECT LOGICAL FRAMEWORK APPROACH – ECONOMIC FACILITIES – Project Ec 5:**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
To create an enable environment for tourism initiatives	<ul style="list-style-type: none"> <li>• Tourism development plan</li> <li>• Increase permanent employment</li> </ul>	
<b><u>PROJECT OUTPUT</u></b> <ul style="list-style-type: none"> <li>• Investment opportunities</li> <li>• Backpackers Hostel &amp; Conference Facility</li> <li>• Job creation</li> <li>• Building of skills</li> <li>• Business opportunities for SMME's</li> <li>• Tourist attraction</li> <li>• Heritage protection</li> <li>• Nature reservoir with chalets</li> <li>• Picnic facilities on Orange River</li> <li>• Fishing facilities on Orange River</li> </ul>	<b><u>TARGET AND TARGET GROUPS</u></b> <p>Unemployed youth and women. Poorest of the poor SMME's</p>	<b><u>LOCATION</u></b> <p>Wider municipal area</p>
<b><u>MAJOR ACTIVITIES</u></b> <ul style="list-style-type: none"> <li>• Source funding</li> <li>• Conduct tourism strategy</li> <li>• Local Tourism Indaba</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b> <p>Department Environmental Affairs &amp; Tourism Thembelihle Municipality SMME's</p>	<b><u>NOTES</u></b> <p>Primary objective.</p>

<u>COSTING</u>	<u>BUDGET</u>	<u>SOURCES OF FUNDING</u>
R1, 000 000.00	Year (2015/2016)	Thembelihle Municipality Dept Economic Development & Tourism

**PROJECT LOGICAL FRAMEWORK APPROACH: Study on the impact of the N12 on the municipal area: Other Project 1 (N12)**

<u>OBJECTIVES</u>	<u>INDICATORS FOR ACHIEVEMENT</u>	
To determine the impact of the N12.	<ul style="list-style-type: none"> <li>Economic benefits of N12 to be developed;</li> <li>Lesser accidents.</li> </ul>	
<u>PROJECT OUTPUT</u>	<u>TARGET AND TARGET GROUPS</u>	<u>LOCATION</u>
N12 development project.	All residents and through traffic.	<ul style="list-style-type: none"> <li>Hopetown;</li> <li>Strydenburg.</li> </ul>
<u>MAJOR ACTIVITIES</u>	<u>RESPONSIBLE AGENCIES</u>	<u>NOTES</u>
<ul style="list-style-type: none"> <li>Address tourism potential;</li> <li>Width of bridges and quality of safety paint on Orange River bridge;</li> <li>Fencing along the reserve;</li> <li>Speed control;</li> <li>Sign posting;</li> <li>Economic/financial potential of through traffic.</li> </ul>	<ul style="list-style-type: none"> <li>Local Authority;</li> <li>Department of Transport;</li> <li>Assistance from civil engineer and town planner.</li> </ul>	<ul style="list-style-type: none"> <li>Primary objective</li> </ul>
<u>COSTING</u>	<u>BUDGET</u>	<u>SOURCES OF FUNDING</u>
Nil (to be done by officials and relevant Provincial Department.)	Year 1 (2015/2016) Year 2 (2016/2017)	<ul style="list-style-type: none"> <li>District municipality;</li> <li>Local authority;</li> <li>Dept. of Transport.</li> <li>Investors</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Implement LED Projects from Tender awarded: Projects Ec.6**

<b><u>OBJECTIVES</u></b>  Create an enable environment for Economic Initiatives.	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>  <ul style="list-style-type: none"> <li>• Increase permanent employment</li> <li>• Stimulate the economy in the area.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>  Improve the lifestyle of the residents.	<b><u>TARGET AND TARGET GROUPS</u></b>  Hopetown & Strydenburg.	<b><u>LOCATION</u></b>  Thembelihle Area
<b><u>MAJOR ACTIVITIES</u></b>  <ul style="list-style-type: none"> <li>• Apply for funds;</li> <li>• Tender procedure;</li> <li>• Construction.</li> </ul>	<b><u>RESPONSIBLE AGENCIES</u></b>  <ul style="list-style-type: none"> <li>• Local authority;</li> <li>• Contractor.</li> <li>• District Municipality</li> </ul>	<b><u>NOTES</u></b>  <ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>  Nil (to be done by officials and relevant Private Sectors / Investors.)	<b><u>BUDGET</u></b>  Year (2014/2015) (Still in Progress)	<b><u>SOURCES OF FUNDING</u></b>  Private Sectors  Local Authority  District Municipality

**PROJECT LOGICAL FRAMEWORK APPROACH – Renewable Energy Projects: Projects Ec.7**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Create an enable environment and improve the living conditions of the community.	<ul style="list-style-type: none"> <li>• Increase permanent employment</li> <li>• Stimulate the economy in the area.</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Generating Power for the area.  Energy cost reduction  Improve the lifestyle of the residents.  Attract Local & Foreign investors	Hopetown & Strydenburg.	Thembelihle Area
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Apply for funds;</li> <li>• Tender procedure;</li> <li>• Construction.</li> </ul>	<ul style="list-style-type: none"> <li>• Local authority;</li> <li>• Contractor.</li> <li>• District Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
Phase 1 - R1,900M	Year (2015/2016)	Private Sectors

**PROJECT LOGICAL FRAMEWORK APPROACH – Other projects 2 (Cemetery)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>	
Improved cemetery facilities & Feasibility study for new cemeteries (Hopetown & Strydenburg)	<ul style="list-style-type: none"> <li>• Upgrading of present facilities;</li> <li>• Provide new facilities;</li> </ul>	
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>
Infrastructure development	All residents within the wider area.	<ul style="list-style-type: none"> <li>• Hopetown;</li> <li>• Strydenburg.</li> </ul>
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>
<ul style="list-style-type: none"> <li>• Costing for maintenance and upgrading of existing facilities;</li> <li>• Fencing;</li> <li>• Installation of sanitation facilities</li> </ul>	<ul style="list-style-type: none"> <li>• Town planner;</li> <li>• Civil engineer;</li> <li>• Thembelihle Municipality</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>
R5 000 000,00	Year 3 (2015/2016)	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• DEAT</li> <li>• DENC</li> </ul>

**PROJECT LOGICAL FRAMEWORK APPROACH – Other projects 3 (Fire brigade)**

<b><u>OBJECTIVES</u></b>	<b><u>INDICATORS FOR ACHIEVEMENT</u></b>		
Need for a fire brigade system.	<ul style="list-style-type: none"> <li>• Provide viability study;</li> <li>• Budget to implement system.</li> </ul>		
<b><u>PROJECT OUTPUT</u></b>	<b><u>TARGET AND TARGET GROUPS</u></b>	<b><u>LOCATION</u></b>	
Viability study.	All residents.	Thembelihle.	
<b><u>MAJOR ACTIVITIES</u></b>	<b><u>RESPONSIBLE AGENCIES</u></b>	<b><u>NOTES</u></b>	
<ul style="list-style-type: none"> <li>• Report on needs;</li> <li>• Costing to implement the facility of 5 years.</li> </ul>	<ul style="list-style-type: none"> <li>• Town planner.</li> </ul>	<ul style="list-style-type: none"> <li>• Primary objective</li> </ul>	
<b><u>COSTING</u></b>	<b><u>BUDGET</u></b>	<b><u>SOURCES OF FUNDING</u></b>	
Study - R100, 000.00	Year 1 (2015/2016)	<ul style="list-style-type: none"> <li>• Local authority</li> <li>• District Municipality.</li> </ul>	

### 3. OPERATIONAL STRATEGIES

#### 3.1 Operational (5-year Action Plan)

##### STRATEGY TO PROJECT PHASE

Strategies	Components	Exist.	Projects in action or in pipeline	Sufficient	New projects
<u>Strategy 1: The establishment of a strategy to address rural land reform over 3 years and to identify the basic needs of the residents in this regard</u>	To apply for the necessary funding in order to conduct a survey;  On receipt of funds, conduct the survey and business plan;  Budget to implement the study.	yes  yes  yes		No  No  No	Apply for funding in order to conduct the survey.

### STRATEGY TO PROJECT PHASE

Strategies	Components	Exist.	Projects in action of in pipeline	Suffi-cient	New projects
<u>Strategy 2: Formulation of a strategy towards the provision of 613 formally planned, serviced erven and formal housing units at 205 units per year for a period of 3 years</u>	<p>Survey and calculation of erven and land needed for the next 3 years;</p> <p>Planning and pegging of sites.</p> <p>A study/policy on the costing and number of services sites and houses to be provided over the next 3 years;</p> <p>Viability study to develop small holdings north of Hopetown;</p> <p>The purchase of land to assist the small farmers.</p>	Yes  Yes  No  No  No	Completed by the local authority.  Completed during the analysis phase.  No  No	Yes  Yes  No  No  No	Business plan formalisation of 750 informal stands  Review Land use plan  Complete a strategy procedure on how to address the housing backlog.  Provide viability study.  Approach Land Affairs in this regard.

### STRATEGY TO PROJECT PHASE

Strategies	Components	Exist.	Projects in action or in pipeline	Sufficient	New projects
<u>Strategy 3: Immediately after the approval of the IDP the formulation and implementation of an environmental awareness policy and programme to secure a cleaner environment and a conservation orientated society within the next 3 years</u>	<p>Adoption of an integrated environmental management plan by the local authority;</p> <p>A drive towards a cleaner environment.</p> <p>Negotiate with Pixley Ka Seme District Municipality to establish a regional conservational project.</p>	<p>Yes</p> <p>Yes</p> <p>No</p>	<p>District Municipality assisted with development of plan.</p> <p>At present the municipality clean on an ad hoc base with a limited budget.</p> <p>No</p>	<p>No</p> <p>No</p> <p>No</p>	<p>Council to accept a policy in this regard plus a strategy on how to drive the issue in the future with reference to:</p> <ul style="list-style-type: none"> <li>• awareness campaign;</li> <li>• control measurements</li> <li>• cleaning operations;</li> <li>• budget available.</li> </ul> <p>Engage in discussions.</p>

### STRATEGY TO PROJECT PHASE

Strategies	Components	Exist.	Projects in action or in pipeline	Sufficient	New projects
<u>Strategy 4: A strategy towards an improved institutional management system (local and government) to initiate better services delivery to the urban and rural residents over 3 years and to monitor the process in a professional manner.</u>	The establishment of an institutional plan on the future running of the local authority.	Yes	Services are currently provided but needs to be upgraded.	No	Implementation of an Institutional plan to improve services.
	Engagements with sector departments at IGR LEVEL to improve services delivery;	Yes	Services are currently provided but needs to be upgraded.	No	Negotiations with relevant government department to upgrade services.
	Disaster management plan.	Yes	Draft in place.	No	Finalize the draft.
	Upgrading and maintenance of cemeteries.	Yes	Do limited maintenance	No	Draft business plan for upgrading. Provide budget.
	Provision of bus and taxi ranks	No		No	Draft business plan
	Provision of a traffic test centre.	Yes		No	Draft business proposal

### STRATEGY TO PROJECT PHASE

Strategies	Components	Exist.	Projects in action or in pipeline	Sufficient	New projects
<u>Strategy 5: Implementation of a strategy to ensure the social wellbeing and upliftment of the residents within the wider municipal area in a sustainable manner</u>	<p>Provision of better community health services;</p> <p>Provide and <u>AIDS</u> awareness policy;</p> <p>Upgrading and provision of better <u>recreational facilities</u>;</p> <p>Improved and upgraded <u>educational facilities</u>.</p>	Yes  Yes  Yes  Yes	<p>At present the current support systems are running and services provided. Local AIDS Forum was also establish.</p>	No  No  No  No	<p>Facilitation by the local authority in order to ensure improved performance by the relevant government departments;</p> <p>Establish an AIDS policy.</p> <p>Busy with construction of primary school</p>

## STRATEGY TO PROJECT PHASE

**NC076 Thembelihle - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)**

Standard Classification Description R thousand	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
<b><u>Revenue – Standard</u></b>									
<i>Governance and administration</i>	17 752	20 453	18 471	24 183	24 448	24 448	27 104	27 712	27 649
Executive and council	12 349	14 633	12 914	16 735	16 736	16 736	18 676	19 187	19 447
Budget and treasury office	4 890	5 318	5 023	6 893	7 103	7 103	7 784	7 842	7 479
Corporate services	512	502	534	555	608	608	644	683	724
<i>Community and public safety</i>	1 874	534	1 388	1 288	918	918	937	957	978
Community and social services	1 874	534	1 388	1 288	918	918	937	957	978
<i>Economic and environmental services</i>	13 461	12 658	7 353	16 921	13 511	13 511	15 285	14 771	15 366
Planning and development	8 715	11 918	6 863	11 616	8 819	8 819	10 311	9 498	9 777
Road transport	4 745	740	491	5 305	4 693	4 693	4 974	5 273	5 589
<i>Trading services</i>	24 906	34 705	21 931	29 986	24 845	24 845	30 008	24 116	26 892
Electricity	10 892	12 969	8 409	15 170	10 421	10 421	11 647	13 021	14 558
Water	10 833	18 319	9 728	9 686	10 306	10 306	13 996	6 469	7 429
Waste water management	2 061	2 207	2 484	3 129	2 665	2 665	2 825	2 995	3 175
Waste management	1 121	1 210	1 310	2 001	1 452	1 452	1 539	1 632	1 729
<b>Total Revenue – Standard</b>	<b>57 993</b>	<b>68 350</b>	<b>49 143</b>	<b>72 378</b>	<b>63 722</b>	<b>63 722</b>	<b>73 334</b>	<b>67 556</b>	<b>70 885</b>
<b><u>Expenditure – Standard</u></b>									
<i>Governance and administration</i>	19 505	32 089	20 994	26 321	28 543	28 543	27 946	29 661	30 627
Executive and council	3 563	4 243	5 092	5 843	6 191	6 191	6 621	7 045	7 476
Budget and treasury office	11 409	13 234	10 617	16 040	17 173	17 173	15 791	16 913	17 001
Corporate services	4 533	14 613	5 285	4 438	5 179	5 179	5 534	5 703	6 150
<i>Community and public safety</i>	825	827	1 466	1 225	1 329	1 329	1 444	1 494	1 555
Community and social services	800	819	1 443	1 171	1 312	1 312	1 425	1 475	1 535
Public safety	25	8	23	54	17	17	18	19	20
<i>Economic and environmental services</i>	12 009	7 464	11 793	12 350	13 260	13 260	13 255	13 241	13 867
Planning and development	8 928	6 314	9 905	9 750	10 707	10 707	10 468	10 281	10 739
Road transport	3 081	1 150	1 888	2 600	2 554	2 554	2 787	2 961	3 128
<i>Trading services</i>	23 747	14 335	22 914	15 245	21 847	21 847	24 395	27 243	31 259
Electricity	12 145	9 378	13 402	8 271	12 602	12 602	14 171	15 646	17 251
Water	6 133	2 906	4 802	3 823	6 025	6 025	5 896	7 202	9 516
Waste water management	2 871	1 011	2 157	1 687	1 745	1 745	2 094	2 139	2 176
Waste management	2 598	1 039	2 552	1 464	1 476	1 476	2 234	2 256	2 316

<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Expenditure – Standard</b>	<b>56 086</b>	<b>54 715</b>	<b>57 167</b>	<b>55 140</b>	<b>64 980</b>	<b>64 980</b>	<b>67 040</b>	<b>71 639</b>	<b>77 308</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 907</b>	<b>13 634</b>	<b>(8 023)</b>	<b>17 238</b>	<b>(1 258)</b>	<b>(1 258)</b>	<b>6 294</b>	<b>(4 084)</b>	<b>(6 423)</b>

**NC076 Thembelihle - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

<b>Trading services</b>	15 871	16 593	1 064	9 950	5 399	5 399	8 362	-	-
Electricity	2 224	1 061	-	4 470	-	-	-		
Water	11 908	15 532	383	5 399	5 399	5 399	8 362		
Waste water management	1 739		682						
Waste management				81					
<b>Total Capital Expenditure - Standard</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>
<b>Funded by:</b>									
National Government	15 391	28 308	10 931	20 007	12 737	12 737	17 257	9 071	9 334
Provincial Government	2 452		682						
Other transfers and grants	202								
<b>Transfers recognised - capital</b>	<b>18 044</b>	<b>28 308</b>	<b>11 612</b>	<b>20 007</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>
<b>Public contributions &amp; donations</b>				1 081					
<b>Internally generated funds</b>	<b>644</b>	<b>177</b>	<b>107</b>						
<b>Total Capital Funding</b>	<b>18 688</b>	<b>28 484</b>	<b>11 719</b>	<b>21 088</b>	<b>12 737</b>	<b>12 737</b>	<b>17 257</b>	<b>9 071</b>	<b>9 334</b>

### **3    The Situation**

#### **3.1 Summary of community and stakeholder Priority Issues**

2 Tar of the 15km of the Brakfontein road.
3 Solar Panels on Farm
4 Widening of the bridge over the Orange River;
5 Upgrading of the N12 between Hopetown and Strydenburg;
6 Provision for Taxi services in Strydenburg;
7 Upgrading of the entrance into Hopetown and Strydenburg; (paving)
8 Upgrading of entrances into the Townships;
9 Upgrading of Aalwyn garden;
10 Poor storm water drainage in all the areas;
11 Poor quality of entrance roads into Deetlefsville and other areas;
12 Poor quality of roads linking the urban areas with the surrounding rural areas (irrigation and farm areas);
13 Bad quality of driving/top surface of the streets especially in the lower income areas;
14 Poor quality of road signs and speed bumps within the urban & rural areas;
15 Lack of proper fencing on some roads;
16 Provision of roads for small holdings to be developed between the river and Hopetown;
17 Maintenance and Upgrading internal streets to both towns;
18 Upgrading and re-opening of Orange River station in order to serve the surrounding hunter load.
19 Reduce speed on the N12 through the towns;
20 Research into the provision of taxi terminus;
21 Rehabilitation of all tarred streets especially in Hopetown;
22 Provision of proper sanitation within the Steynville and Deetlefsville informal areas;\phasing out of the bucket system if and where still in operation;
23 Upgrading of the sewer facilities of farm workers;
24 Poor quality, condition and standard of main sewer purification works of both towns;
25 Provision of a system to re-use purified sewer water;
26 Provision of a upgraded system that would accommodate future growth in the municipal area;
27 Research into the provision of a traffic test centre;
28 Need a Mobile Police Station in the rural area;
29 Urgent need to upgrade the electrical bulk supply and distribution system of the wider Hopetown and Strydenburg to make provision for investment;
30 Provision of electricity to farm workers;
31 Lack of facilities and equipment to do maintenance on electrical system;\electrification of small holdings to be provided between the Orange River and Hopetown;
32 Provision of more area lights & High Mass Lights
33 Provision of more pre-paid meters;
34 Poor quality of drinking water in Strydenburg;
35 Provision for Youth Centre in Strydenburg;
36 ATM Bank in Strydenburg;
37 Upgrading of the bulk water supply system, purification and storage system as well as distribution;
38 On medium terms the development of Strydenburg bore hole supply system;
39 Provide sufficient water for present and future commercial and residential development;
40 Lack of sufficient water in the informal settlement areas within the wider municipal area;

41 Provision of sufficient and cost effective drinking water to farm workers;
42 Provision of water to municipal grazing camps used by informal farmers;
43 Stabilising and degradation of the commonage caused by overgrazing;
44 Planning for and provision of water for small holdings to be developed between the Orange River and Hopetown;
45 Improved refuse removal system and updating of present facilities;
46 Lack of refuse bins;
47 Rehabilitation of current dumping sites, closure thereof and registering of new sites;
48 Provision of a fire brigade service;
49 Provision of more fire extinguishing water points & equipment;
50 A demand for a multi-purpose sport facility to include a wide spectrum of facilities including a golf course
51 All facilities to be provided should be sustainable with possible use of re-cycled effluent water from the waste water treatment works;
52 Provision of sport facilities for the disabled;
53 <u>Upgrading and maintenance of cemeteries &amp; provision for toilets in Town;</u>
54 <u>Upgrading of the local hospital in Hopetown &amp; the fence;</u>
55 Upgrading of the existing clinics to cater for a wider spectrum of services;
56 Provision of health and medical facilities for the disabled;
57 Poor ambulance services to be upgraded;
58 Special provision to be made in ambulances for paramedics accidents on the N12;
59 Need for medical doctors at clinics;
60 Provision for bursaries for the youth; (in particular Engineers & Electricians)
61 Centre to care for people with AIDS (Hospice) & Old age Home;
62 Upgrading of mobile clinic services;
63 Building for Hospice is needed;
64 Need Town planner with Infrastructure skills;
65 Electricity Boxes to be installed in rural area;
66 Shopping Centre;
67 Allocation for Houses;
68 More trained personnel
69 No awareness in community on public health;
70 Increase birth control;
71 Shortage of medicine and facilities;
72 Stalls for Street hawkers/traders
73 Signboards to indicate locality of clinic;
74 Need to care for orphans;
75 Abuse of children and women;
76 Need for more discipline amongst the youth;
77 Care for street children;
78 Improved security services;
79 Need for a service by means of mobile units;
80 Social mistrust amongst communities;
81 Provide sign boards to direct tourists;
82 Poverty elevation and job creation;
83 Provide training and facilities to emerging business men/women;

84 Lack of added value within the region;
85 Lack of capital for economic development;
86 Lack of developed tourism potential within the municipal area with consideration for facilities like (a) a nature reserve with a rest camp, (b) Picnic facilities on the Orange River;
87 Job creation;
88 Provision of improved TV services;
89 Poor developed residential parks;
90 <u>Market the Orange River as a tourist facility;</u>
91 Technical and financial assistance to small farmers;
92 Maintenance on public open spaces; \ improved entrances into the towns;
93 Keep the general environment clean;
94 More trees need to be planted and maintained.
95 <u>Need for formal houses to address the housing backlog;</u>
96 Need for subsidised housing to address the housing backlog for underprivileged;
97 Demand for self-build erven;
98 Need for townhouses in lower to middle income areas; \ housing for farm workers; \ request to develop small holdings between the river to the north and Hopetown to the north;
99 Improved and more professional planning for future services; \ increased need for church and business erven;
100 <u>Request for more houses (Breaking New Grounds housing methods);</u>
101 <u>Upgrading of single rooms in Steynville;</u>
102 <u>Upgrading of 2 room houses in Deetlefsville;</u>
103 Survey into and make bursaries available to students;
104 A lack of libraries and ancillary arranged activities;
105 A need for adult education (ABET) especially amongst farm workers;
106 Poor facilities at schools;
107 Demand for more farm schools and upgrading of present facilities;
108 Hostel facilities in Hopetown needed;
109 <u>A need for a day care centre and a crèche;</u>
110 Provide school bus service in rural area;
111 <u>Provision of office space for NGO's;</u>
112 An urgent need for a proper more centralised orientated municipal office;
113 Improved municipal facilities to provide better services;
114 Capacitated disaster management centrum & service;
115 Provide a community accepted logo for the municipality and it's vehicles.
116 Provision of more post boxes;
117 <u>Need for a one stop centre;</u>
118 Professional future planning and development systems to be put in place;
119 Poor telephone services with special reference to the rural area

### **3.2 Priority Issues from a Municipal Perspective**

2 Tar of the 15km of the Brakfontein road;
3 Solar Panels on Farm;
4 Upgrading of the N12 between Hopetown and Strydenburg;
5 Research into the provision of taxi terminus;
6 Poor storm water drainage in all the areas;
7 Provision of roads for small holdings to be developed between the river and Hopetown;
8 Maintenance and Upgrading internal streets to both towns;
9 Reduce speed on the N12 through the towns;
10 Rehabilitation of all tarred streets especially in Hopetown;
11 Provision of proper sanitation within the Steynville and Deetleffsville informal areas; \phasing out of the bucket system if and where still in operation;
12 Urgent need to upgrade the electrical bulk supply and distribution system of the wider Hopetown and Strydenburg to make provision for investment;
13 Provision of more area lights & High Mass Lights;
14 Poor quality of drinking water in Strydenburg;
15 Upgrading of the bulk water supply system, purification and storage system as well as distribution;
16 Improved refuse removal system and updating of present facilities;
17 Upgrading and maintenance of cemeteries & provision for toilets in Town;
18 Need Town planner with Infrastructure skills;
19 Allocation for Houses;
20 Poverty elevation and job creation;
21 Upgrading and maintenance of cemeteries & provision for toilets in Town;
22 Provision of improved TV services;
23 Need for formal houses to address the housing backlog;
24 Need for townhouses in lower to middle income areas; \housing for farm workers; \request to develop small holdings between the river to the north and Hopetown to the north
25 Improved municipal facilities to provide better services

### **3.3 Spatial Analysis : Patterns and trends**

#### **SPATIAL ANALYSIS**

##### **3.3.1 Purpose of this analysis**

The purpose of this section is to indicate:

- spatial problems and constraints that could hamper future development;
- potential spatial integration issues in terms of present legislation; and
- the need to develop a spatial development framework.

##### **3.3.1.1 Locality and entities included**

During the demarcation process the following entities were amalgamated under this new municipal area:

- Hopetown;
- Strydenburg;
- Rural areas.
- Surrounding Farms

The outcome of Orania's dispute has not yet been decided upon and the unsurely still remains as to where they will be demarcated.

This municipal area is situated south of Kimberley on the N12 to Cape Town.

##### **3.3.1.2 Land use survey and patterns**

A land use survey was conducted that indicated the following land uses:

Figure 2- Detailed land uses within the Hopetown area.

Land use	Erven Plots in 2003	2008	2009
Residential	1 374	1826	3015
Business	77	86	96
Mixed land uses	16	24	24
School	3	4	6

Sport	6	6	6
Park	1	1	1
Municipal	12	13	13
Church	14	15	42
Police	3	3	3
Military	1	0	0
Hospital	1	1	1
Post Office	1	1	1
Crèche	1	1	1
Industrial	6	13	13
Informal Settlements	892	530	780
	<b>1 516</b>	<b>2524</b>	<b>3999</b>

Figure 3: Detailed land use survey for Strydenburg:

Land use	Erven Plots in 2003	In 2008	In 2009
Residential	466	564	577
Informal business	2	5	8
Business	17	20	22
Mixed land uses	6	9	11
School	2	1	1
Sport	3	3	4
Park	1	1	1
Municipal	6	6	6
Church	7	9	13
Post Office	1	1	1
Cemetery	1	2	2

Crèche	1	0	0
Clinic	1	1	1
Informal Settlement	485	212	215
	514	834	862

The land use survey indicated that there:

- There is not a large number of vacant erven available in Strydenburg and Hopetown for both Residential and Business purposes;
- There is extremely minimum vacant virgin land present for integration purposes; and
- There are challenges with respect to future land reform issues.

The integration principles whereby gaps (vacant land) between cultural groups should be developed is applicable. Council also developed a Land disposal and Alienation Policy to give effect and direction to the above.

### 3.3.2 Housing and services backlog

The following housing and services backlog were identified to be addressed in the future strategies:

i) Housing backlog

A present detail housing backlog survey indicated the following housing backlog within the lower income areas:

<b>Area</b>	<b>Houses 2003</b>	<b>FOR 2007</b>
Hopetown	673	1202
Strydenburg	200	351
<b>Total</b>	<b>873</b>	<b>1553</b>

In order to accommodate the abovementioned backlog the following area would be needed:

Hopetown - 52,00ha

Strydenburg - 14,00ha

66,00ha

During the strategy phase a detailed analysis would be provided on where this development would take place and the provision of services and erven to the relevant end beneficiaries provided.

During the analysis phase a housing problem in the rural areas were also identified with special reference to farm workers:

House or brick/concrete block structure on a separate stand or yard or on a farm	3087
Traditional dwelling/hut/structure made of traditional materials	12
Flat or apartment in a block of flats	39
Cluster house in complex	6
Townhouse (semi-detached house in a complex)	3
Semi-detached house	3
House/flat/room in backyard	24
Informal dwelling (shack; in backyard)	57
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	816
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	48
Caravan/tent	6
<b>Grand Total</b>	<b>4137</b>

ii) Services description and backlog

a) Hopetown

The existing internal water pipes burst on a frequent basis and have to be replaced with PVC pipes. The capacity of the reservoirs is currently upgrade for a approximately 10 year growth in development.

- The present sewer system (oxidation ponds) works at maximum capacity and needs to be replaced with a conventional system or upgraded. Provision has to be made for except able sewerage systems to address the needs of the informal residents with no sewerage services. A project is currently running to accommodate the upgrading of the ponds.
- The roads and storm water system is in a bad state with special reference to Steynville with no infrastructure due to the flat gradient. A storm water plan has been provided and the implementation thereof is essential. The steepness of the environment in all cases in Hopetown creates tremendous problems. The stormwater is not up to standard and causes tarred road maintenance to be very high
- The electrical system is totally outdated and does not comply with basic professional safety regulations. The facilities at the main receipt sub station are busy to be upgraded for future development.
- The closing of the present dumping site should be implemented as the site is next to the N12 and is a sore eye for any tourist or probable investor. The old site should be closed as soon as possible and a new one opened in the area identified by DWAF. Construction of the new solid waste site is completed, but the electricity switch is outstanding.

**b) Strydenburg**

- The main water supply for the town and townships comes from the Witpoort boreholes system. The lifespan of this system remains is still uncertain. Therefore the direct extraction of water out of the Orange River remains the only solution for this problem. This issue has been broad under the intention of DWAF. Possible plans are outline for this year to extract the water to Strydenburg.
- The old oxidation pond system needs to be rehabilitated since the New ponds was successfully completed and is already in use. The eradication of the bucket system in Deetlefsville and replacement with the VIP system causes unhappiness in the community more especially because housing development in the area make use of Water Bourne System.
- The roads and storm water system in Deetlefsville are in a very bad state and need to be upgraded over a period of time. The main road in Strydenburg needs to be resealed and the gravel streets have to be resurfaced to make them acceptable.
- Once again like in the case of Hopetown the main electrical system needs to be attended to. Some areas have been upgraded but the overall system is still dilapidated and old fashioned. The overhead connections are according to standard not acceptable anymore and have to be changed to underground connections. Even though it is expensive *it is cost saving in the long run.*

**c) Other areas**

The municipality will now provide services to surrounding farms as a responsibility. Research into the needs of the rural residents has to be done.

The future provision and maintenance of internal and bulk services would be addressed with reference to:

- water;
- roads;
- sewer;
- electricity;
- storm water; and
- refuse removal

**3.3.3 Potential spatial/physical constraints and problems**

During the analysis phase the following spatial constraints were identified:

**Hopetown and Steynville:**

Certain physical constraints on future development came out during the review meetings. For the longer term (2007-2016) ±109ha (1 655 erven) would be needed.

- to the north of the town the dumping site, steep gradients and the river hampers development in this area, although with proper infrastructure it could be developed into farmable plots;
- the area to the west is hampered by clay conditions, dongas and high water table;
- clay conditions is also present to the south and southeast, although with investigations done by Department of Agriculture it was identified that in this area there is about 800ha of land that is very good for irrigation development;
- the only viable area for future extension seems to the east although the N12 would form a definite boundary.

The following constraints were identified for Strydenburg and Deetlefsville:

For the longer term (2007 – 2016) 424 additional erven and ± 42 ha would be needed.

- to the south and southeast development would be hampered by the pan and the presence of dolomite;
- to the west the present dumping site and sewerage works blocks development;
- the “Rooidam”, “koppies” and potential clay to the northwest would limit development;
- the N12 would also once again separate the town in two;
- the only future direction would be in the vicinity of the caravan park and to the north and east thereof.

### **3.3.4 Summary of potential problem areas**

The following problem areas need to be address:

- shortage of services sites;
- shortage of formal houses;
- sufficient bulk services to provide for future needs;
- provision of internal services and the upgrading thereof;
- maintenance problems.
- Shortage of municipal social housing

## **3.4 Social Analysis : Poverty situation and gender specific issues**

### **Social economic analysis**

The purpose of this sector is to ensure that all activities sufficiently consider the needs of the previous marginalized groups and to provide for their upliftment.

This socio-economic analysis refers to the following sectors, population, health, educational, recreational and social issues.

### **Population figures**

The total population is capture from STATS SA 2011 at the following:

## **Descriptive\_Small\_Areas**

**Table 1**  
**Population group by**  
**Gender**

for Person weighted, NC076: Thembelihle

	<b>Male</b>	<b>Female</b>	<b>Grand Total</b>
<b>Black African</b>	1245	1146	2391
<b>Coloured</b>	5511	5601	11112
<b>Indian or Asian</b>	69	12	81
<b>White</b>	1101	954	2055
<b>Other</b>	51	15	66
<b>Grand Total</b>	<b>7977</b>	<b>7728</b>	<b>15705</b>

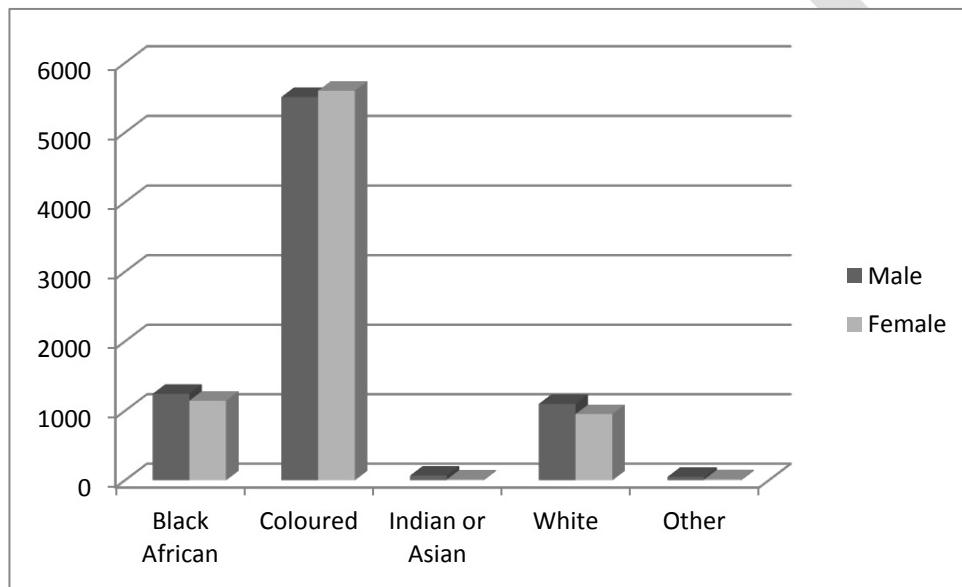
All cells in this table have been randomly rounded to base 3

Created on 10 March 2014

Statistics South Africa: Web page: [www.statssa.gov.za](http://www.statssa.gov.za)

Support: [info@statssa.gov.za](mailto:info@statssa.gov.za)

Copyright © 2010 Statistics South Africa. All rights reserved.



### **3.4.1.1 Health issues**

During the analyses phase this issue was discussed and analysed in detail. The detailed shortcomings and recommendations are formulated in par 2.4. During the workshops and land use survey, however, the following facilities were identified:

- 1 clinic, Deetlefsville (Strydenburg);
- 1 clinic, Steynville (Hopetown); (upgraded)
- 1 hospital (Hopetown). (upgraded.)

### Recreational issues

The shortcomings in recreational facilities and recommendations in this regard were formulated in par 2.4. The land use survey, however, indicated the following:

#### Strydenburg:

- 1 formal soccer fields (one at school);
- 1 sports complex (needs to be upgraded.)
- 2 informal soccer fields;
- 2 netball fields;
- 1 Community hall; (needs to be upgraded.)
- 1 Combined netball and volleyball court;
- 1 bowling green; and
- show grounds. (not been utilize)

#### Hopetown:

- 1 sport complex
- 1 informal soccer field
- Primary school (soccer field, cricket and netball);
- Steynville High (cricket, volleyball, netball, 2 x tennis)
- 1 community hall;
- 1 private rugby field;
- 1 bowling green;
- 1 squash court;
- golf course; (not grassed)
- show ground;
- 2 tennis courts;
- 2 netball fields;
- Hopetown High (2 rugby fields, 4 tennis courts; 1 swimming pool; athletics, cricket field).

The recreational facilities for farm workers, however, were identified as a shortcoming.

The need for another **community hall** indentified and the priority of it was emphasised.

#### 3.4.1.2 Educational issues

The following shortcomings activated this issue:

- lack of library facilities and the poor state thereof;
- provision of ABET education;
- poor school facilities in town and on farms;
- hostel to be provided in Hopetown; and
- a need for a day care centre;
- provide bus service to farm schools.

### Geography by Present School Attendance

	None	Pre-school	School	College	Technikon	University	Adult Education Centre	Other
Hopetown	5,686	123	2,225	6	-	9	6	6
Hopetown SP	728	27	371	-	-	6	6	3
Steynville	4,966	99	1,841	6	-	6	-	-
Deetlefsville	1,207	80	648	6	3	3	9	-
Strydenburg SP	344	-	45	-	-	-	-	-
<b>TOTAL</b>	<b>12,930</b>	<b>328</b>	<b>5,129</b>	<b>18</b>	<b>3</b>	<b>24</b>	<b>21</b>	<b>9</b>

The survey indicated the following:

#### Strydenburg:

- 1 Combined School - Primary (Grade 1 – 7) and Secondary (Grade 8 – 12);
- One hostel.

#### Hopetown:

- 3 Primary schools (Grade 1 – 7);
- 2 Secondary school (Grade 8 – 12);
- One hostel.

Once again the education facilities in the rural areas were identified as problematic. An additional primary school was placed high on the IDP agenda. Oranje Diamant Primary is overcrowded.

#### **3.4.1.3 Social issues**

The social moral standard of the wider community needs to be uplifted. Alcohol and drug abuse by the youth is on the increase while the general fight against crime is generally unsuccessful. The abuse of women, children and elderly people take place on a daily base.

There is no mutual trust amongst the communities within the wider municipal area while the safety of farmers is getting worse.

Table 1

### **Individual monthly income by Gender and Population group**

for Person weighted. NC076: Thembelihle

	Male					Female					Grand Total
	Black African	Coloured	Indian or Asian	White	Other	Black African	Coloured	Indian or Asian	White	Other	
No income	321	1803	9	279	9	429	2271	3	348	9	5481
R 1 - R 400	216	1371	9	3	-	228	1290	3	6	-	3126
R 401 - R 800	39	252	3	9	-	39	234	-	24	-	600
R 801 - R 1 600	300	1191	12	63	12	267	1221	3	69	-	3138
R 1 601 - R 3 200	105	318	21	93	9	30	159	-	87	3	825
R 3 201 - R 6 400	81	174	9	135	12	30	114	-	96	-	651
R 6 401 - R 12 800	57	72	6	99	6	27	63	-	84	-	414
R 12 801 - R 25 600	24	51	-	102	-	15	45	-	42	-	279
R 25 601 - R 51 200	3	6	-	39	-	-	-	-	9	-	57
R 51 201 - R 102 400	-	-	-	12	-	-	-	-	-	-	12
R 102 401 - R 204 800	-	-	-	3	-	-	-	-	3	-	6
R 204 801 or more	-	-	-	6	-	-	-	-	-	-	6
Unspecified	36	186	-	243	-	30	174	-	141	-	810
Not applicable	60	81	3	18	-	45	27	3	42	-	279
Grand Total	1242	5505	72	1104	48	1140	5598	12	951	12	15684

All cells in this table have been randomly rounded to base 3

Created on 13 March 2014

Statistics South Africa: Web page: [www.statssa.gov.za](http://www.statssa.gov.za)

Support: [info@statssa.gov.za](mailto:info@statssa.gov.za)

Copyright © 2010 Statistics South Africa. All rights reserved.

## **Summary of potential problem areas**

The following main problem areas were identified:

- increased fight against crime; AIDS and unwanted pregnancies;
  - upgrading and providing sufficient sport and recreational facilities is lacking;
  - building of new sport and recreational facilities
  - address the poor state of the health facilities.
  - address the need for shelter homes for the abused

## **Piped Water by Source of Water for Household : NC076: THEMBELIHLE**

	Regional/local water scheme (operated by municipality or other water services)	Borehole	Spring	Rain water tank	Dam/pool/stagnant water	River/stream	Water vendor	Water tanker	Other
--	--	----------	--------	-----------------	-------------------------	--------------	--------------	--------------	-------

	provider)								
Piped (tap) water inside dwelling/institution	1131	174	-	3	3	75	-	6	-
Piped (tap) water inside yard	1254	480	-	-	15	33	-	30	-
Piped (tap) water on community stand: distance less than 200m from dwelling/institution	396	57	3	-	6	3	3	-	-
Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution	288	3	-	-	-	-	-	-	-
Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution	39	21	-	-	-	-	-	-	-
Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution	6	93	-	-	-	-	-	-	-
No access to piped (tap) water	3	3	-	-	-	3	-	3	3
Unspecified	-	-	-	-	-	-	-	-	-
Not applicable	-	-	-	-	-	-	-	-	-

All cells in this table have been randomly rounded to base 3

Created on 13 March 2014

#### Toilet facilities

for Household weighted, NC076: Thembelihle

None	429
Flush toilet (connected to sewerage system)	2484
Flush toilet (with septic tank)	222
Chemical toilet	18
Pit toilet with ventilation (VIP)	456
Pit toilet without ventilation	486
Bucket toilet	9
Other	36
Unspecified	-
Not applicable	-
<b>Grand Total</b>	<b>4140</b>

All cells in this table have been randomly rounded to base 3

Created on 13 March 2014

**Type of dwelling by Refuse disposal**  
for Household weighted, NC076: Thembelihle

	Removed by local authority/private company at least once a week	Removed by local authority/private company less often	Communal refuse dump	Own refuse dump	No rubbish disposal	Other	Unspecified	Not applicable
House or brick/concrete block structure on a separate stand or yard or on a farm	2385	33	72	534	45	21	-	-
Traditional dwelling/hut/structure made of traditional materials	9	-	-	-	-	3	-	-
Flat or apartment in a block of flats	30	-	-	6	3	-	-	-
Cluster house in complex	3	-	-	-	-	-	-	-
Townhouse (semi-detached house in a complex)	3	-	-	-	-	-	-	-
Semi-detached house	-	-	-	-	3	-	-	-
House/flat/room in backyard	15	-	6	3	-	-	-	-
Informal dwelling (shack; in backyard)	54	-	-	3	3	-	-	-
Informal dwelling (shack; not in backyard; e.g. in an informal/squatter settlement or on a farm)	252	-	111	18	420	12	-	-
Room/flatlet on a property or larger dwelling/servants quarters/granny flat	45	-	-	3	-	-	-	-
Caravan/tent	6	-	-	-	-	-	-	-
Other	33	-	3	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-
Not applicable	-	-	-	-	-	-	-	-

All cells in this table have been randomly rounded to base 3

Created on 13 March 2014

Statistics South Africa: Web page: [www.statssa.gov.za](http://www.statssa.gov.za)

#### Disability\_Small\_Areas

Table 1

**Official employment status by Gender and Population group**  
for Person weighted, NC076: Thembelihle

	Male					Female					Grand Total
	Black African	Coloured	Indian or Asian	White	Other	Black African	Coloured	Indian or Asian	White	Other	
Employed	468	1332	36	483	42	243	906	3	345	3	3861
Unemployed	111	600	-	12	-	126	672	-	6	-	1527
Discouraged work-seeker	33	195	3	3	-	57	381	-	12	-	684
Other not economically active	264	1203	18	186	6	333	1470	3	291	6	3780
Age less than 15 years	-	-	-	-	-	-	-	-	-	-	-
Not applicable	372	2178	12	420	-	387	2172	6	294	-	5841
Grand Total	1248	5508	69	1104	48	1146	5601	12	948	9	15693

All cells in this table have been randomly rounded to base 3

Created on 13 March 2014

### **3.5 Economic Analysis : Major patterns and trends**

#### **LOCAL ECONOMIC DEVELOPMENT ANALYSIS**

The purpose of this analysis is to raise awareness of economic potentials while dealing with potential limitations.

**The following basic issues should be addressed:**

- Basic economic data;
- Economic trends;
- Under utilised resources; and
- Major constraints;
- Spatial Development Framework

The following issues were addressed during the analysis phase.

#### **Payment culture by the public of Thembelihle**

At present the economic and cash flow situation of the municipality is under pressure and should be addressed during the strategy phase. The necessary steps and precautionary measurements should be identified and implemented.

The following % payment of municipal services was determined during this phase:

Suburb	%
Hopetown	80
Steynville	20
Strydenburg	70
Deetlefsville	20

Average rate – 48%

#### **Basic employment sectors**

During consultation processes stakeholders analysed the following sectors being the basic employment sectors within the municipal area:

- Agricultural sector: This sector includes the employment on farms as well as the three co-operatives (retail outlets) in the two towns. 70 %
- Government employment: This sector includes all the teachers, government employees and workers. 25 %
- Business sector: Including all the private, retail, office and services provision sectors. 40 %
- Municipal sector: Includes the personnel in Hopetown and Strydenburg. 45 %
- Mining sector: All the people included in the small mining sector. 5 %
- Building and construction: At present some people are accommodated but in a decreasing phase. 20 %

### **Surrounding economic potential**

The following economic potential within the surrounding area were identified:

- potential add on of value to agricultural products within the environment (factories related to specific products);
- stimulation and activate the transport sector;
- marketing and use of the Orange river and its tourism potential;
- extension of intensive cattle and sheep feedlot potential in the area;
- leather and ancillary factories;
- marketing of the tourism industry with reference to the Orange river, De Bron, historical San resettlement; agricultural tourism, historical features in town;
- game farming and hunting;
- marketing and use of any potential income/potential from the N12 route;
- development of the mining sector with reference to precious and semi-precious stones;
- Marketing of the typical Karoo fauna and flora.
- Potential add on value to land reform and exploring the development of irrigation land for emerging farmers and more land for potential small stock farmers.
- Developing business and industrial sites for potential investors
- Potential Industries, Manufacturing & Engineering projects for BEE
- Retail businesses

### **Surrounding economic threats**

The following issues were identified as economic threats:

- low rural population density;
- passenger trains that stop 3 days a week at any of the stations within our municipal jurisdiction;
- high health risk rate due to HIV/AIDS and TB;
- poor quality and standard of basic infrastructure with reference to the rural and urban areas;

- low average level of education;
- high unemployment rate;
- vandalism and littering;
- high crime rate;
- poor communication;
- poor marketing of the town;
- lack of funding for development;
- control straying animals.
- High level of alcohol abuse
- Shortage of qualified skills & artisans

### **Local Economic Development issues**

The following shortcomings have been identified during the process:

- Implementation of Local Economic Development Strategy.
- Local Small Farmers Association is not well organised and needs to be capacitated to grow their initiatives.
- Over grazed farm-land
- The informal sector is limited to a few tuck shops in residential yards and informal street trading.
- Tourism potential of the environment needs to be developed.
- Need for a Local Economic Development study to identify all aspects of economic development within Thembelihle Municipal boundaries linked to available resources.
- Need to complete a Spatial Development Plan. (urgent)

### **Potential problems to be addressed**

It is suggested that the following issues should be addressed during the following phases:

- stimulation of the informal sector.
- marketing and development of the tourism potential.
- formulation of a Tourism Sector Plan.
- Formulation of Spatial Development Framework
- Linking economic businesses to informal sectors as mentors

## **Summary**

A detailed strategy and future solutions would be based on the above mentioned issues. Steps would be taken to stimulate the positive issues and to address the negative issues.

### **Social economic analysis**

The purpose of this sector is to ensure that all activities sufficiently consider the needs of the previous marginalized groups and to provide for their upliftment.

This socio-economic analysis refers to the following sectors, population, health, educational, recreational and social issues.

### **3.6 Environmental Analysis : Major risks and trends**

During the workshop certain environmental threats/risks and assets have been identified.

#### **Environmental threats/risks or challenges**

The following environmental issues, however, needs to be mentioned and advised in the environmental policy to be formulated:

#### **This issue manifested out of the following needs:**

- poor state and shortage of residential parks;
- poor maintenance on parks;
- poor condition of entrances into towns;
- dirty environment;
- lack of trees.
- limited water resources in rural area away from the river;
- environmental pollution because of toxic waste;
- increase in certain unwanted plants;
- overpopulation of some animals;
- dongas and other forms of erosion;
- pollution of the Orange river;
- air pollution due to crop spraying and other air pollution;
- people without electricity use sources from the environment for cooking purposes;
- misuse of boreholes (more than their potential);
- reeds at the river accommodate birds that destroy the farmers' crops;
- burrow pits destroy environment;
- pollution of ground water and bore holes; and
- increase in ant heaps.
- littering and dumping in illegal areas

## **Environmental assets**

For many years the environmental issues and the impact of people thereon has been badly neglected. Environmental issues and nature conservation form an integral part of the IDP process. It is essential to be aware of environmental problems, threats but also potential thereof. These issues should be considered during the development process.

The following national resources, however, needs to be addressed:

- lean Karoo air and environment;
- certain birds of prey ; and
- typical Karoo fauna and flora.

## **Summary of potential problem areas**

The most important problem to be addressed is to adopt an awareness drive within the community to understand the environment (all its facets) and the conservation thereof.

### **3.7 Institutional Analysis : Strengths and weaknesses**

#### **INSTITUTIONAL ANALYSIS**

The institutional sector forms the driving force behind the IDP and therefore the awareness of its **strengths** and **weaknesses** is important. Institutional capacities and constraints need to be considered.

During the review process the institutional sector was addressed at two levels:

- National and Provincial Government facilities; and
- Local Government facilities.

The following information was taken from the IDP in order to indicate to the reader the capacity, size and income of the municipality.

#### **3.7.1.1 Current human resources**

Leadership & Governance	-	7
Management & Senior Officials	-	4
Professionals	-	10
Admin Clerks	-	12

Service Workers	-	8
Technical trade	-	2
Plant & Machine Operators	-	10
Elementary Occupation	-	<u>36</u>
		89 people

In order to address the future function and service for and by the municipality, a new organogram needs to be developed and approved by the council. There is a real need for training and capacity building for the personnel. The municipal buildings and ancillary facilities also need to be upgraded to comply with the new functions (**shortage of office space**).

## **5 5 – year Financial Plan**

### **4.1.1 FINANCIAL PLAN AND/OR PROGRAMME**

#### **PURPOSE AND OBJECTIVES**

This programme includes the following components:

- five year operational budget; and
- five year capital programme.

The purpose of the five year operational budget is to:

- indicate the revenue and expenditure forecast;
- establish a medium term financial framework;
- indicate strategic planning to raising income and to safe on expenditure.

The purpose of the five year capital programme is to:

- link the capital programme with sources of funding;
- to ensure inter-departmental alignment; and
- to stimulate the confidence of provincial investors.

### **4.1.2 CAPITAL PROGRAMME OVER FIVE YEARS**

The 5 year capital investment programme focussed on:

- 5 year expenditure on housing and internal services; and
- 5 year expenditure on bulk and link services as well as upgrading of services;
- costing of surveys to be conducted and master plans to be prepared in order to implement the IDP; and
- costing for the establishment of certain committees to be established in order to implement the IDP.

#### **4.1.2.1 Summary of capital funding needed over 5 years**

<b>Year</b>	<b>Housing &amp; internal services</b>	<b>Bulk services and upgrading</b>	<b>Other</b>	<b>Total</b>
1	R5,871	R14,326	R0,489	R20,686
2	R5,871	R21,104	-	R26,975
3	R5,871	R21,596	-	R27,467
4	R5,871	R10,125	-	R15,996
5	R5,871	R18,879	-	R24,75
	R29 355	R86,030	R0,489	R115,874

#### **4.1.2.2 Detail analysis of the components of the programme**

The following tables indicate on a yearly base the detail costing for:

- (i) Housing and internal services over 5 years;
  - (ii) Costing for bulk services provision and the upgrading thereof for 5 years;
  - (iii) Costing for master plans and surveys;
  - (iv) Contribution from the local authority to the establishment of certain communities.
- (i) Costing for housing and internal services for 3 years

#### **YEAR 1 (2011/12)**

<b>Project no.</b>	<b>Project description</b>	<b>Value R(m)</b>	<b>Provide funds</b>
H1.1, p59	Provision of serviced erven (civil)and sites for 245 erven.	R4,964	H & LG
H1.2 p60	Provision of electricity to 245 residential erven.	R0,907	MIG DM & EA Eskom
	<b>Total</b>	<b>R5,871</b>	

**YEAR 2 (2012/13)**

<b>Project no.</b>	<b>Project description</b>	<b>Value R(m)</b>	<b>Provide funds</b>
H2.1 p64	Provision of serviced erven (civil) and houses for 245 erven.	R4,964	H & LG
H2.2 p65	Provide electricity to 245 erven.	R0,907	MIG DM & EA Eskom
	Total	R5,871	

**YEAR 3 (2013/14)**

<b>Project no.</b>	<b>Project description</b>	<b>Value R(m)</b>	<b>Provide funds</b>
H3.1 p66	Provision of serviced erven (civil) and houses for 245 erven.	R4,964	H & LG
H3.2 p67	Provide electricity to 245 erven.	R0,907	CMIP DM & EA Eskom
H3.3	Registration and licensing and commissioning of the landfill site in Hopetown	R12	DOE
S3.1	Registration and licensing and re-commissioning of the landfill site in Hopetown	R6	DOE
H3.4	De-commissioning of the existing landfill site in Hopetown	R2	DOE
	Total	R5,871	

**YEAR 4 (2014/15)**

<b>Project no.</b>	<b>Project description</b>	<b>Value R(m)</b>	<b>Provide funds</b>
H4.1 p68	To provide civil services and houses to 245 erven.	R4,964	H & LG
H4.2 p69	To provide electricity to 245 erven.	R0,907	CMIP DM & EA Eskom
	Total	R5,871	

**YEAR 5 (2015/16)**

<b>Project no.</b>	<b>Project description</b>	<b>Value R(m)</b>	<b>Provide funds</b>
H5.1 p70	To provide civil services and houses to 245 erven.	R4,964	H & LG
H5.2 p71	To provide electricity for 245 erven.	R0,907	CMIP DM & EA Eskom
	Total	R5,871	

(ii) Costing for the provision and upgrading of bulk and link services over 5 years

<b>Project no.</b>	<b>Project description</b>	<b>Value R(m)</b>	<b>Provide funds</b>
Hpt Civil 3, p93	Install water management system (phase 1)	R0,080	DWAF

Hpt Civil 4, p94	Provision of prepaid meters in Steynville (phase 1)	R0,060	DWAF
Hpt Civil 5, p95	Replace existing old pipelines (phase 1)	R0,150	MIG DM
Hpt Civil 6, p96	Extend main sewer works to accommodate growth (phase 1)	R0,250	MIG
Hpt Civil 7, p97	New sewer pipeline to supply bulk facility to new development area (phase 1)	R0,680	MIG
Hpt Civil 8, p98	Replacement of the VIP Toilets	R0,176	COGHSTA
Hpt Civil 9, p99	Entrance road to new development area (phase 1)	R0,380	MIG
Hpt Civil 10, p100	Upgrade existing storm water facilities (phase 1)	R0,190	DM MIG
Hpt Civil 11, p101	Provision and upgrading of sport facilities (phase 1)	R0,460	Lotto
Hpt Elec 1, p102	Upgrade main intake substation	R1,5	DM & EA DM
Hpt Elec 2, p103	Upgrade existing low voltage system	R2,8	DM & EA DM
Stry Civil 1, p 111	Develop Witpoort bulk water system	R5,0	MIG DWAF
Stry Civil 2, p112	Upgrading main sewer works (phase 1)	R0,800	MIG DM
Stry Civil 3, p113	Replacement of VIP Toilets	R0,600	COGHSTA DM
Stry Civil 4, p114	Upgrade of internal streets	R0,600	COGHSTA

Stry Civil 5, p115	Resurface Strydenburg main street	R0,100	DM
Stry Elec 1, P123	Upgrading of present high voltage system	R0,200	DM & EA DM
Stry Elec 2, p124	Rehabilitation of existing low voltage system	R0,300	DM & EA DM
	Total	R14,326	

**YEAR 2 (2012/13)**

Project no.	Project description	Value R(m)	Provide funds
Hpt Civil 1, p91	New bulk water supply for Hopetown and Strydenburg (phase 2)	R4,250	RIG DWA
Hpt Civil 2, p92	Link road to new residential development (phase 1)	R0,620	EPWP
Hpt Civil 3, p93	Install water management system (phase 2)	R0,050	DWA
Hpt Civil 4, p94	Provision of pre-paid meters (phase 2)	R0,065	DWA
Hpt Civil 5, p95	Replacement of old water pipes (phase 2)	R0,162	MIG DM
Hpt Civil 6, p96	Upgrade main sewer works to accommodate growth (phase 2)	R6,600	MIG
Hpt Civil 7, p97	Sewer pipeline to new development area (phase 2)	R1,050	CMIP
Hpt Civil 8, p98	Eradication of bucket system (phase 2)	R0,190	DH & LG
Hpt Civil 9. p99	Entrance road to new development area (phase 2)	R0,680	CMIP

Hpt Civil 10, p100	Upgrade existing storm water and roads (phase 2)	R0,280	CMIP DM
Hpt Civil 11, p101	Upgrade and provide sport facilities (phase 2)	R0,497	Lotto
Hpt Elec 3, p104	Rehabilitation of existing low voltage system	R2,0	MSP DM & EA DM
Stry Civil 2, p 112	Upgrading of main sewer works (phase 2)	R1,7	CMIP DM
Stry Civil 3, p113	Eradication of the bucket system (phase 2)	R0,600	LG & H DM
Stry Civil 6, p116	Upgrade solid waste disposal site (phase 1)	R0,500	CMIP
Stry Civil 7, p117	Upgrade existing internal roads and storm water (phase 1)	R0,300	DM
Stry Civil 8, p118	Maintenance of existing streets	R0,100	DM
Stry Civil 10, p 120	Bulk water supply to new development area	R0,100	CMIP
Stry Civil 11, p121	Main sewer supply to new development area	R0,400	DM
Stry civil 12, p122	Upgrading and provision of sport facilities (phase 1)	R0,460	Lotto
Stry Elec 3, P125	Upgrading of existing low voltage supply	R0,300	MSP DM & EA
Stry Elec 4, p126	Provide bulk electricity to new development area	R0,200	MSP DM & EA DM
	Total	R21,104	

**YEAR 3 (2013/14)**

<b>Project no.</b>	<b>Project description</b>	<b>Value R(m)</b>	<b>Provide funds</b>
Hpt Civil 1, p91	New bulk water supply for Strydenbrug and Hopetown (phase 3)	R12,300	CMIP DWAF
Hpt civil 3, p93	Install water management system (phase 3)	R0,060	msp
Hpt Civil 4, p94	Provision of a pre-paid water meter system (phase 3)	R0,070	MSP
Hpt Civil 5, p95	Replacement of old water pipes (phase 3)	R0,175	CMIP DM
Hpt Civil 6, p96	Upgrade main sewer works to accommodate growth (phase 3)	R0,600	CMIP
Hpt Civil 7, p97	Sewer pipeline to the new development area (phase 3)	R0,200	CMIP
Hpt Civil 8, p98	Eradication of the bucket system (phase 3)	R0,205	DH & LG
Hpt Civil 9, p99	Entrance road to the new development area (phase 3)	R0,680	CMIP
Hpt Civil 10, p100	Upgrade existing storm water and roads (phase 3)	R0,220	CMIP DM
Hpt Civil 11, p101	Upgrade and provide sport facilities (phase 3)	R0,536	Lotto
Hpt Elec 4, p105	Provide bulk facilities to the new development area (electrical)	R0,500	DM & EA DM
Hpt elec 4, p105	Upgrade existing low voltage system	R1,5	MSP DM & EA DM
Stry Civil 2, p112	Upgrading of the main sewer works (phase 3)	R2,00	CMIP DM

Stry Civil 3, P113	Eradication of the bucket system (phase 3)	R0,600	LG & H DM
Stry Civil 6, p116	Upgrade solid waste disposal site (phase 2)	R0,500	CMIP
Stry Civil 7, p117	Upgrade existing storm water and roads (phase 2)	R0,300	DM
Stry Civil 9, p119	Tarring main entrance to Deetlefsville (phase 1)	R0,200	CMIP DRTPW
Stry Civil 11, p121	Upgrade existing internal sewer facility (phase 1)	R0,500	DM
Stry Civil 12, p122	Upgrading and provision of sport facilities (phase 2)	R0,200	Lotto
Stry Elec 5, p127	Upgrading of present low voltage system	R0,250	MSP DM & EA DM
		R21,596	

#### YEAR 4 (2014/15)

Project no.	Project description	Value R(m)	Provide funds
Hpt civil 1, p91	New bulk water supply to Hopetown and Strydenburg (phase 4)	R3,100	CMIP DWAF
Hpt Civil 2, p92	New link road to new residential development (phase 2)	R0,730	CMIP
Hpt Civil 3, p93	Install water management system (phase 4)	R0,070	MSP
Hpt Civil 4, p94	Provision of a pre-paid water meter facility (phase 4)	R0,075	MSP
Hpt Civil 5, p95	Replacement of old water pipes (phase 4)	R0,189	CMIP DM

Hpt Civil 6, p96	Upgrade main sewer works to accommodate growth (phase 4)	R0,400	CMIP
Hpt Civil 8, p98	Eradication of the bucket system (phase 4)	R0,222	CMIP
Hpt Civil 9, p99	Entrance road to the new development area (phase 4)	R0,350	CMIP
Hpt Civil 10, p100	Upgrade existing storm water and roads (phase 4)	R0,260	CMIP DM
Hpt Civil 11, p101	Upgrade and provide sport facilities (phase 4)	R0,579	Lotto
Hpt Elec 6, p107	Rehabilitation of the existing low voltage system	R1,0	MSP DM & EA DM
Stry Civil 3, p113	Eradication of the bucket system (phase 4)	R0,600	LG & H DM
Stry Civil 7, p117	Upgrade existing storm water and roads (phase 3)	R0,300	DM
Stry Civil 9, p119	Tarring of main entrance into Deetlefsville (phase 2)	R1,0	CMIP DM
Stry Civil 11, p121	Upgrade existing internal sewer facilities (phase 2)	R0,900	DM
Stry Civil 12, p122	Upgrading and provision of sport facilities (phase 3)	R0,100	Lotto
Stry Elec 6, p 128	Rehabilitation of present low voltage system	R0,250	MSP DM & EA DM
	Total	R10,125	

**YEAR 5 (2015/16)**

Project no.	Project description	Value	Provide

		R(m)	funds
Hpt Civil 1, p91	New bulk water supply to Hopetown and Strydenburg (phase 5)	R14,500	DWAF MIG
Hpt Civil 3, p93	Install new water management system (phase 5)	R0,080	DWAF
Hpt Civil 4, p94	Provision of pre-paid water meters (phase 5)	R0,081	DWAF
Hpt Civil 5, p95	Replacement of old water pipes (phase 5)	R0,204	MIG DM
Hpt Civil 6, p96	Upgrade main sewer works to accommodate growth (phase 5)	R0,200	CMIP
Hpt Civil 8, p98	Eradication of the bucket system (phase 5)	R0,239	DH & LG
Hpt Civil 9, p99	Entrance road for new development area (phase 5)	R0,300	CMIP
Hpt Civil 10, p100	Upgrade existing storm water and roads (phase 5)	R0,300	CMIP DM
Hpt civil 11, p101	Upgrade and provision of sport facilities (phase 5)	R0,625	Lotto
Hpt Elec 7, p108	Upgrading of the present low voltage system	R1,0	MSP DM & EA DM
Stry Civil 3, p113	Eradication of the bucket system (phase 5)	R0,500	LG & H DM
Stry Civil 7, p117	Upgrade existing storm water and roads (phase 4)	R0,600	DM
Stry Elec 7, p129	Upgrading of present low voltage electrical system	R0,250	MSP DM & EA. DM
		R18,879	

## **4.2 Capital Investment Programme**

Five year capital investment programme, master plans and business plans

<b>Project no.</b>	<b>Project description</b>	<b>Value R</b>	<b>Provide funds</b>
Sport S2, p84	Survey on the standard of sport facility and the cost to upgrade.	R8 000	LA DM
Economic Project Ec 1, p87	Appointment of consultant to conduct economic base study.	R35 000	LA DM
H1.3, p61	Survey on the needs of rural people	R150 000	Land Aff
H1.4, p62	Viability study for the development of small holdings	R60 000	LA DM
Stry Civil 8, p118	Master plan for streets and storm water Strydenburg	R100 000	CMIP
Hpt Elec 8, p109	Electrical master plan for Hopetown	R50 000	DM
Stry Elec 8, p130	Electrical master plan for Strydenburg	R30 000	DM
Other projects 1 dumping site, p132	Study into the selection of future dumping sites	R20 000	LA DM
Other projects 2 graveyards, p133	Study to identify future graveyards	R10 000	LA
Other projects 3 fire brigades, p134	Study into the provision of a proper fire brigade service.	R10 000	LA
		R473 000	

Five year capital investment programme contribution from the local authority to support co-ordination committees (per month for 6 months (year 1))

Project no.	Project description	Value R	Provide funds
En 1, p73	Establish an environmental management committee (R1 000/month for 6 months)	R6 000	LA
HIV/AIDS S4, p86	Support to the HIV/AIDS co-ordination committee to be established (R1 000/month for 6 months)	R6 000	LA
Social well-being S5, p87	Establishment of a social management forum R800/month for 6 months)	R4 800	LA
		R16 800	

#### **4.3 Integrated Spatial Development Framework**

##### **SPATIAL DEVELOPMENT PROGRAMME**

**It should be noted that the following stats is base on the Census 2000 results. The municipality is in the process of conducting a Spatial Development Framework that will be aligned with the NSDP, PGDS AND DGDS.**

##### **PURPOSE OF THE SPATIAL DEVELOPMENT PROGRAMME**

**The purpose of the spatial framework refers to the following:**

- to provide land use zones;
- the purpose of the land use zones is not to be prescriptive but to co-ordinate land use;
- to provide guidelines on where to develop in the future;
- to ensure that proper spatial integration takes place according to the Chapter 1 principles of the Development Facilitation Act; and
- in order to manage future development by all relevant role players and decision makers;

##### **ELEMENTS ISSUES TO BE INDICATED IN THE SPATIAL FRAMEWORK**

**The following issues/elements would be indicated on the plan:**

- the local development areas proposed for the next five years;
- areas for which certain land uses are excluded; and
- an indication of the locality of certain projects during the 5-year development phases.

#### **AREA (HA) NEEDED FOR FUTURE DEVELOPMENT 2001 - 2015**

The council is of the opinion that although the IDP only addresses a five year period, the longer term land needed for development should also be determined. This prediction would put the local authority in a position to:

- project and evaluate the longer term projection/purchase of land; and
- to start for the future planning and locality of bulk services.

#### *Population growth for the next 15 years*

Year	White @ 1,5%/year	Coloured @ 4%/year	Black @ 4%/year	Total
2002	2033	12861	1638	16532
2003	2063	13375	1703	
2004	2093	13910	1771	
2005	2124	14466	1841	
2006	2155	15044	1914	
	(39 units)	(397 units)	(50 units)	
2007	2187	15645	1990	19822
2008	2219	16270	2069	
2009	2252	16920	2151	
2010	2285	17596	2237	
2011	2319	18299	2326	
	(43 units)	(482 units)	(61 units)	
2012	2353	19030	2419	23802

2013	2388	19791	2515	
2014	2423	20582	2615	
2015	2459	21405	2719	
2016	2495	22261	2827	
	(46 units)	(587 units)	(74 units)	

*ii) Total number of erven needed for 15 year growth*

Year	White	Coloured	Black	Total
2002 – 2006	39	397	50	486
2007 – 2011	43	482	61	586
2012 – 2016	46	587	74	707
	128	1466	185	1779

*iii) Erf differentiation including the housing backlog*

Year	Low income 65%	Middle income 20%	High income 15%	Total
2002 – 2006				
Backlog	673			1159
Growth	316	97	73	
2007 – 2011	381	117	88	586
2012 – 2016	459	141	106	706
	1829	355	267	2451

*iv) Net area (ha) for residential purposes*

Year	Low 400m <sup>2</sup>	Medium 500m <sup>2</sup>	High 1000m <sup>2</sup>	Total (ha)
2002 – 2006	39.56	4.85	7.30	51.71
2007 – 2011	15.24	5.85	8.80	29.89
2012 – 2016	18.36	7.05	10.60	36.01

	73.16	17.75	26.70	117.61
--	-------	-------	-------	--------

#### **SUMMARY OF LAND USE NEEDS (2002 – 2016)**

Land use		Erven	Ha
Residential	400m <sup>2</sup>	1 829	73.16
	500m <sup>2</sup>	355	17.75
	1 000m <sup>2</sup>	267	26.70
Educational	Crèche	5	1.5
	Primary	5	14.0
	Secondary	2	11.20
Public Open Space			11.05
Cemetery			11.05
Retail	Mid town		3.20
	Neighbourhood		0.66
	Corner Shops	8	0.88
Industrial			11.05
Churches		16	2.4
Roads 20%			46.15
		2 487	230.75

#### **vii) Land uses for the next 5 years**

The IDP addresses growth and strategic development over the next 5 years. In order to adhere to this principle, the detail projections of land uses for the next five years have been done.

The land uses are indicated on the next table. The number of erven needed and proposed directions of development have been used by the engineers to do their costing and need for services over the next 5 years in order to provide for bulk and internal services.

#### **4.4 Integrated Environmental Programmes**

##### **ENVIRONMENTAL ANALYSIS**

For many years the environmental issues and the impact of people thereon has been badly neglected. Environmental issues and nature conservation form an integral part of the IDP process. It is essential to be aware of environmental problems, threats but also potential thereof. These issues should be considered during the development process.

POLICIES & BY-LAWS THAT PROTECT THE ENVIRONMENT OR IN FACT METHODS THAT SPEAK TO ADDRESS THE CHALLENGES OF IT.

#### **4.5 INTERGRATED HIV/AIDS PROGRAMME**

##### **4.5.1 INTRODUCTION**

The HIV/AIDS programme of Thembelihle Municipality should ensure a broad approach and the involvement of many role players on many levels to deal with the problem. The Local Government structure is the level closest to the people and therefore accepts the responsibility to drive the issue in order to control the negative affects thereof. Thembelihle herewith accepts its responsibility in terms of the Constitution of the country to deal with this issue with reference to:

- the promotion of a healthy environment;
- provide a democratic and accountable local government system; and
- to stimulate and promote social upliftment.

The local authority defines this responsibility as part of the transformation process.

The following aspects/issues should be seen as a basic directive or guidelines to be followed or implemented during the preparation of the AIDS policy.

#### **4.5.2 ROLES OF THEMBELIHLLE MUNICIPALITY IN THE PROCESS**

The following responsibilities would be catered for:

- AIDS would be a core issue in all decision making processes;
- All the role players involved in the process would be assisted and guided by the local authority;
- The co-ordination of all role players at various levels; and
- Taking leadership in the battle against AIDS and the results thereof.

#### **4.5.3 LEVELS OF COMMITMENT AND INVOLVEMENT BY THEMBELIHLLE MUNICIPALITY**

It is the intention of the municipality to fight against AIDS on two levels:

##### **4.5.3.1 Internal or work place level**

It would be the responsibility of the local authority as an employer to protect and respect its workers in this regard. The municipality would put in place:

- work place policies to protect all parties;
- communication systems to discuss AIDS related issues amongst all parties;
- a AIDS/HIV prevention programme; and
- a care programme for people involved.

##### **4.5.3.2 External level**

The approach here would be to mainstream HIV/AIDS as an epidemic in all its decision making processes and contact with all the role players involved.

The responsibility of certain role players and their positive inputs would be identified. Once again the following approaches within the wider society would be addressed:

- the way to prevent HIV/AIDS to be spread within the wider community; and
- to set up a system to care for the individuals already infected;

##### **4.5.3.3 Key areas to be addressed**

- Apply some strategic thinking processes;
- Target feed schemes at the correct groups;

- Correct application for funding and the application thereof;
- Co-ordination between all the role players;
- Correct and accurate statistics to be provided and maintained.
- Campaign to promote the testing and counselling of AIDS;
- Decrease the number of homeless children.

#### **4.5.4 ROLE PLAYERS TO BE INVOLVED IN THE PROCESS**

The plan of the municipality should be based on local experience and knowledge. The local residents and other sector departments would work together to solve local problems and change the mindset of local people.

##### **4.5.4.1 Establish a local co-ordination committee**

A local co-ordination committee would be established to be controlled and monitored by the council. A councillor and a nominated official (Health Officer) would sit on the committee, monitor activities and report back to the council. It would be the responsibility to drive the awareness campaign and to establish support groups in this regard. Proper communication amongst all role players is essential.

A manual would be prepared based on local experience.

##### **4.5.4.2 Government and semi-government organisations**

- District municipality;
- Department of Health;
- Department of Welfare; and
- The office of the Premiere.

##### **4.5.4.3 NGO's and private companies**

- Business sector and surrounding mines;
- Local churches;
- Local schools;
- Youth organisations;
- Women's organisations; and

- Private individuals with knowledge, experience and capacity to assist.

#### **4.5.5 FUTURE IMPACT OF HIV/AIDS**

During the preparation of an AIDS policy the impact of AIDS on the following levels should also be addressed.

##### **Individual families**

- The loss of bread winners result in financial insecurity;
- Costing for caring and look after infected people;
- Loss of a child is a difficult issue to deal with;

##### **The community**

- AIDS normally effects the present communities the worst;
- Cost of accommodating orphans.

##### **The economy**

- Decrease of family income due to AIDS;
- Trained and schooled workers are taken out of the market place.

##### **On education**

- Avoid school teachers to die from AIDS;
- No intercourse amongst teachers and pupils.

##### **The municipality and service delivery**

- The impact of AIDS on the provision of housing;
- Reduced payment levels.

##### **Health services**

- Overcrowded health facilities;

- Demand for medicine and assistance increasing.

### **Social services**

- Child and parents support.

#### **5.2.6 COORDINATION WITH PROVINCIAL AIDS COUNCIL**

A Provincial AIDS council has been established under the direct supervision of the Premier. It is essential that all anti-AIDS actions within the province are coordinated under this body.

In order to assist this body an interdepartmental committee has been established consisting of the relevant sections of the Departments of Education, Health and Social Services. This committee meets once a month and specializes in the distribution of life skills, funding and human assistance to fight AIDS.

It is proposed that the local AIDS coordination committee as proposed in par 5.2.4.1 should join forces with the abovementioned provincial bodies.

#### **4.6 Integrated Institutional Programmes**

#### **4.7 Disaster Management Plan**

#### **4.8 Monitoring and information flow system**

#### **4.9 LED Strategy**

#### **4.10 Integrated Environmental Plans**

## ANNEXURE 13: TARIFFS

<u>KONSEP TARIEWE : BOEKJAAR 2015/2016</u>		-																							
	2011/2012 instl BTW	2011/2012 uitsl BTW	2012/1 BTW	BT W	2012/2013 instl BTW	BTW	2013/2014 instl BTW	% Increase	2014/1 BTW	2014/2015 instl BTW	% Increase	2015/1 BTW	2015/2016 instl BTW	% Increase	2016/1 BTW	2016/2017 instl BTW	% Increase	2017/1 BTW	2017/2018 instl BTW	% Increase	2017/2018 instl BTW	% Increase			
<b>BOUPLANNE</b>																									
Per M2	R 21.50	R 18.86	R 20.26	R 2.84	R 23.10	R 21.48	R 3.01	R 24.48	6.00%	R 22.76	R 3.19	R 25.95	6.00%	R 24.08	R 3.37	R 27.46	5.80%	R 25.41	R 3.56	R 28.97	5.50%	R 26.76	R 3.75	R 30.50	5.30%
Minimum per aansoek	R 90.00	R 78.95	R 84.87	R 11.88	R 96.75	R 89.96	R 12.59	R 102.56	6.00%	R 95.36	R 13.35	R 108.71	6.00%	R 100.89	R 14.12	R 115.01	5.80%	R 106.44	R 14.90	R 121.34	5.50%	R 112.08	R 15.69	R 127.77	5.30%
Ondergesikte bouwerk & afdakke	R 90.00	R 78.95	R 84.87	R 11.88	R 96.75	R 89.96	R 12.59	R 102.56	6.00%	R 95.36	R 13.35	R 108.71	6.00%	R 100.89	R 14.12	R 115.01	5.80%	R 106.44	R 14.90	R 121.34	5.50%	R 112.08	R 15.69	R 127.77	5.30%
Deposito Bourommel op sypadjie						R 1 315.79	R 1 184.21	R 1 500.00	100.00%	R 1 394.74	R 1 195.26	R 1 590.00	6.00%	R 1 475.63	R 206.59	R 1 682.22	5.80%	R 1 556.79	R 1 217.95	R 1 774.74	5.50%	R 1 639.30	R 1 229.50	R 1 868.80	5.30%
Bourommel boetes per maand						R 175.44	R 24.56	R 200.00	100.00%	R 185.97	R 26.04	R 212.00	6.00%	R 196.75	R 27.55	R 224.30	5.80%	R 207.57	R 29.06	R 236.63	5.50%	R 218.58	R 30.60	R 249.18	5.30%
<b>FOTOSTATE &amp; FAKSE</b>																									
A3	R 7.50	R 6.58	R 7.06	R 0.99	R 8.05	R 7.48	R 1.05	R 8.53	6.00%	R 7.93	R 1.11	R 9.04	6.00%	R 8.73	R 1.22	R 9.95	10.00%	R 9.60	R 1.34	R 10.94	10.00%	R 10.56	R 1.48	R 12.04	10.00%
A4	R 3.30	R 2.89	R 3.11	R 0.44	R 3.55	R 3.30	R 0.46	R 3.76	6.00%	R 3.50	R 0.49	R 3.99	6.00%	R 3.85	R 0.54	R 4.38	10.00%	R 4.23	R 0.59	R 4.82	10.00%	R 4.65	R 0.65	R 5.31	10.00%
Fakse ontvang per bladsy	R 4.50	R 3.95	R 4.25	R 0.60	R 4.85	R 4.51	R 0.63	R 5.14	6.00%	R 4.78	R 0.67	R 5.44	6.00%	R 5.25	R 0.74	R 5.99	10.00%	R 5.78	R 0.81	R 6.59	10.00%	R 6.36	R 0.89	R 7.25	10.00%
Fakse stuur - 1ste bladsy	R 8.00	R 7.02	R 7.54	R 1.06	R 8.60	R 8.00	R 1.12	R 9.12	6.00%	R 8.48	R 1.19	R 9.66	6.00%	R 9.32	R 1.31	R 10.63	10.00%	R 10.26	R 1.44	R 11.69	10.00%	R 11.28	R 1.58	R 12.86	10.00%

FINANSlE DIENSTE																									
Soneringsertifikaat	R 58.00	R 50.88	R 54.69	R 7.66	R 62.35	R 57.97	R 8.12	R 66.09	6.00 %	R 61.45	R 8.60	R 70.06	6.00%	R 65.02	R 9.10	R 74.12	5.80%	R 68.59	R 9.60	R 78.20	5.50%	R 72.23	R 10.11	R 82.34	5.30%
Waardasie Sertifikaat	R 85.00	R 74.56	R 80.18	R 11.22	R 91.40	R 84.99	R 11.90	R 96.88	6.00 %	R 90.08	R 12.61	R 102.70	6.00%	R 95.31	R 13.34	R 108.6 5	5.80%	R 100.55	R 14.08	R 114.63	5.50%	R 105.88	R 14.82	R 120.70	5.30%
Uitklaaring Sertifikaat	R 85.00	R 74.56	R 80.18	R 11.22	R 91.40	R 84.99	R 11.90	R 96.88	6.00 %	R 90.08	R 12.61	R 102.70	6.00%	R 95.31	R 13.34	R 108.6 5	5.80%	R 100.55	R 14.08	R 114.63	5.50%	R 105.88	R 14.82	R 120.70	5.30%
Naslaan fooie (jaar)	R 112.00	R 98.25	R 105.6 1	R 14.79	R 120.40	R 111.95	R 15.67	R 127.62	6.00 %	R 118.67	R 16.61	R 135.28	6.00%	R 125.55	R 17.58	R 143.1 3	5.80%	R 132.46	R 18.54	R 151.00	5.50%	R 139.48	R 19.53	R 159.00	5.30%
Naslaan fooie (maand)	R 29.00	R 25.44	R 27.37	R 3.83	R 31.20	R 29.01	R 4.06	R 33.07	6.00 %	R 30.75	R 4.31	R 35.06	6.00%	R 32.54	R 4.56	R 37.09	5.80%	R 34.33	R 4.81	R 39.13	5.50%	R 36.15	R 5.06	R 41.21	5.30%
Tikwerk per bladsy	R 11.50	R 10.09	R 10.83	R 1.52	R 12.35	R 11.48	R 1.61	R 13.09	6.00 %	R 12.17	R 1.70	R 13.87	6.00%	R 13.39	R 1.87	R 15.26	10.00 %	R 14.72	R 2.06	R 16.79	10.00 %	R 16.20	R 2.27	R 18.46	10.00 %
BEGRAAFPLAAS																									
Sertifiseerde uittreksel van begrafnis register		R 58.51	R 8.19	R 66.70	R 61.73	R 8.64	R 70.37	5.50 %	R 65.43	R 9.16	R 74.59	6.00%	R 69.23	R 9.69	R 78.92	5.80%	R 73.03	R 10.22	R 83.26	5.50%	R 76.91	R 10.77	R 87.67	5.30%	
Sertifikaat van reg van gebruik		R 58.51	R 8.19	R 66.70	R 61.73	R 8.64	R 70.37	5.50 %	R 65.43	R 9.16	R 74.59	6.00%	R 69.23	R 9.69	R 78.92	5.80%	R 73.03	R 10.22	R 83.26	5.50%	R 76.91	R 10.77	R 87.67	5.30%	
Inspeksie van begrafnis register		R 58.51	R 8.19	R 66.70	R 61.73	R 8.64	R 70.37	5.50 %	R 65.43	R 9.16	R 74.59	6.00%	R 69.23	R 9.69	R 78.92	5.80%	R 73.03	R 10.22	R 83.26	5.50%	R 76.91	R 10.77	R 87.67	5.30%	
Reg om lyke op te grawe en herbegrawe		R 740.5 3	R 103.6 7	R 844.20	R 781.26	R 109.3 8	R 890.64	5.50 %	R 828.13	R 115.9 4	R 944.07	6.00%	R 876.17	R 122.6 6	R 998.8 3	5.80%	R 924.36	R 129.4 1	R 1 053.77	5.50%	R 973.35	R 136.2 7	R 1 109.62	5.30%	
Grawe van enkel graf deur munisipale werkers	R 370.00	R 324.5 6	R 348.9 0	R 48.85	R 397.75	R 368.09	R 51.53	R 419.63	5.50 %	R 390.18	R 54.63	R 444.80	6.00%	R 412.81	R 57.79	R 470.6 0	5.80%	R 435.51	R 60.97	R 496.49	5.50%	R 458.60	R 64.20	R 522.80	5.30%
Grawe van dubbel graf deur munisipale werkers	R 519.00	R 455.2 6	R 489.4 3	R 68.52	R 557.95	R 516.35	R 72.29	R 588.64	5.50 %	R 547.33	R 76.63	R 623.96	6.00%	R 579.07	R 81.07	R 660.1 5	5.80%	R 610.92	R 85.53	R 696.45	5.50%	R 643.30	R 90.06	R 733.37	5.30%
Graf self grawe Enkel graf	R 48.00	R 42.11	R 45.26	R 6.34	R 51.60	R 47.75	R 6.69	R 54.44	5.50 %	R 50.62	R 7.09	R 57.70	6.00%	R 53.55	R 7.50	R 61.05	5.80%	R 56.50	R 7.91	R 64.41	5.50%	R 59.49	R 8.33	R 67.82	5.30%



SPORT-TERREINE/KOMPLEKSE																									
Sport Veld: Plaaslik (Dagtarief-einde voor 5pm)	R 300.00	R 263.1 6	R 282.8 9	R 39.61	R 322.50	R 299.8 7	R 41.98	R 341.85	6.00%	R 317.8 6	R 44.50	R 362.36	6.00%	R 336.30	R 47.08	R 383.3 8	5.80%	R 354.79	R 49.67	R 404.46	5.50%	R 373.6 0	R 52.30	R 425.9 0	5.30%
Sport Veld: Nie-Plaaslik (Dagtarief-einde voor 5pm)	R 420.00	R 368.4 2	R 396.0 5	R 55.45	R 451.50	R 419.8 2	R 58.77	R 478.59	6.00%	R 445.0 0	R 62.30	R 507.31	6.00%	R 470.82	R 65.91	R 536.7 3	5.80%	R 496.71	R 69.54	R 566.25	5.50%	R 523.0 4	R 73.22	R 596.2 6	5.30%
Sport Veld: Skole	R 150.00	R 131.5 8	R 141.4 5	R 19.80	R 161.25	R 149.9 3	R 20.99	R 170.93	6.00%	R 158.9 3	R 22.25	R 181.18	6.00%	R 168.15	R 23.54	R 191.6 9	5.80%	R 177.40	R 24.84	R 202.23	5.50%	R 186.8 0	R 26.15	R 212.9 5	5.30%
Sport Veld (Nagtarief-einde na 5pm)	R 80.00	R 70.18	R 75.44	R 10.56	R 86.00	R 79.96	R 11.20	R 91.16	6.00%	R 84.76	R 11.87	R 96.63	6.00%	R 89.68	R 12.56	R 102.2 3	5.80%	R 94.61	R 13.25	R 107.86	5.50%	R 99.63	R 13.95	R 113.5 7	5.30%
KlubHuis	R 300.00	R 263.1 6	R 282.8 9	R 39.61	R 322.50	R 299.8 7	R 41.98	R 341.85	6.00%	R 317.8 6	R 44.50	R 362.36	6.00%	R 336.30	R 47.08	R 383.3 8	5.80%	R 354.79	R 49.67	R 404.46	5.50%	R 373.6 0	R 52.30	R 425.9 0	5.30%
Deposito (albei geriewe)	R 500.00	R 500.0 0	R 537.5 0	NA	R 537.50	R 569.7 5	NA	R 569.75	6.00%	R 603.9 4	R 84.55	R 688.49	6.00%	R 638.96	R 89.45	R 728.4 2	5.80%	R 674.11	R 94.37	R 768.48	5.50%	R 709.8 3	R 99.38	R 809.2 1	5.30%
<b>TOEGEVOEGDE WAARDE DIENSTE</b>																									
Straat Handel/ Street Trading																									
Jaarliks Licensies	R 866.00	R 759.6 5	R 816.6 2	R 114.3 3	R 930.95	R 865.6 2	R 121.1 9	R 986.81	6.00%	R 912.3 6	R 127.7 3	R 1 040.09	5.40%	R 965.28	R 135.1 4	R 1 100.4 2	5.80%	R 1 018.37	R 1 142.5 7	R 1 160.94	5.50%	R 1 072.3 4	R 1 150.1 3	R 1 222.4 7	5.30%
Jaarliks hernuwing van Licensies	R 300.00	R 263.1 6	R 282.8 9	R 39.61	R 322.50	R 299.8 7	R 41.98	R 341.85	6.00%																
Dag - Licensies(Nie plaaslik)	R 275.00	R 241.2 3	R 259.3 4	R 36.31	R 295.65	R 274.9 0	R 38.49	R 313.39	6.00%	R 289.7 5	R 40.56	R 330.31	5.40%	R 306.55	R 42.92	R 349.4 7	5.80%	R 323.41	R 45.28	R 368.69	5.50%	R 340.5 5	R 47.68	R 388.2 3	5.30%
"Tuck shop" Licensies:																									
Nuwe Licensies ( Inwoners)	R 300.00	R 263.1 6	R 282.8 9	R 39.61	R 322.50	R 299.8 7	R 41.98	R 341.85	6.00%																
Jaarliks hernuwing van Licensies	R 150.00	R 131.5 8	R 141.4 5	R 19.80	R 161.25	R 149.9 3	R 20.99	R 170.93	6.00%	R 1 200.0 0	R 1 168.0 0	R 1 368.00	700.35 %	R 1 269.60	R 1 177.7 4	R 1 447.3 4	5.80%	R 1 339.43	R 1 187.5 2	R 1 526.95	5.50%	R 1 410.4 2	R 1 197.4 6	R 1 607.8 8	5.30%



Huur van kombuisie (alle geleenhede)	R 355.00	R 311.40	R 334.78	R 46.87	R 381.65	R 354.87	R 49.68	R 404.55	6.00%	R 376.16	R 52.66	R 428.82	6.00%	R 397.98	R 55.72	R 453.69	5.80%	R 419.86	58.78	R 478.65	5.50%	R 442.12	R 61.90	R 504.01	5.30%
Huur van Raad Klanktoerusting per dag	R 2800.00	R 2456.14	R 2640.35	R 369.65	R 3010.00	R 2798.77	R 3391.83	R 3190.60	6.00%	R 2966.70	R 415.34	R 3382.04	6.00%	R 3138.77	R 439.43	R 3578.19	5.80%	R 3311.40	463.60	R 3774.99	5.50%	R 3486.90	R 488.17	R 3975.07	5.30%
Stoele	R 7.20	R 6.32	R 6.80	R 0.95	R 7.75	R 7.21	R 1.01	R 8.22	6.00%	R 7.64	R 1.07	R 8.71	6.00%	R 8.08	R 1.13	R 9.22	5.80%	R 8.53	R 1.19	R 9.72	5.50%	R 8.98	R 1.26	R 10.24	5.30%
Stoele nie beskadig terugbetaaling	R 4.25	R 3.73	R 3.99	R 0.56	R 4.55	R 4.23	R 0.59	R 4.82	6.00%	R 4.48	R 0.63	R 5.11	6.00%	R 4.74	R 0.66	R 5.41	5.80%	R 5.00	R 0.70	R 5.70	5.50%	R 5.27	R 0.74	R 6.01	5.30%
ADVERTISING BOARD & POSTERS																									
Deposito	R 300.00	R 300.00	R 300.00	NA	R 300.00	R 300.00	NA	R 300.00	0.00%	R 300.00		R 300.00	0.00%	R 330.00		R 330.00	10.00%	R 348.15	R 48.74	R 396.89	5.50%	R 366.60	R 51.32	R 417.93	5.30%
Adverteiring per maand	R 300.00	R 300.00	R 300.00	NA	R 300.00	R 300.00	NA	R 300.00	0.00%	R 300.00		R 300.00	0.00%	R 330.00		R 330.00	10.00%	R 348.15	R 48.74	R 396.89	5.50%	R 366.60	R 51.32	R 417.93	5.30%
Politieke Partye (Verkiesing)	R 700.00	R 700.00	R 700.00	NA	R 700.00	R 700.00	NA	R 700.00	0.00%	R 700.00		R 700.00	0.00%	R 770.00		R 770.00	10.00%	R 812.35	R 113.73	R 926.08	5.50%	R 855.40	R 119.76	R 975.16	5.30%
Boete Plakkate sonder toestemming	R 700.00	R 700.00	R 700.00	NA	R 700.00	R 700.00	NA	R 700.00	0.00%	R 700.00		R 700.00	0.00%	R 770.00		R 770.00	10.00%	R 812.35	R 113.73	R 926.08	5.50%	R 855.40	R 119.76	R 975.16	5.30%
ADVERTENSIEBORDE																									
Permanent (Gastehuise/Besighede/Hotel ens.)	R 300.00	R 300.00	R 300.00	NA	R 300.00	R 300.00	NA	R 300.00	0.00%	R 318.00	R 44.52	R 362.52	6.00%	R 336.44	R 47.10	R 383.55	5.80%	R 354.95	R 49.69	R 404.64	5.50%	R 373.76	R 52.33	R 426.09	5.30%
Tydelik (Funksies/Veilings ens.) Per Dag Tarief	R 70.00	R 70.00	R 70.00	NA	R 70.00	R 70.00	NA	R 70.00	0.00%	R 74.20	R 10.39	R 84.59	6.00%	R 78.50	R 10.99	R 89.49	5.80%	R 82.82	11.59	R 94.42	5.50%	R 87.21	R 12.21	R 99.42	5.30%
Spesiale Geleenhede (Verkiesings plakkate, ens.)	R 700.00	R 700.00	R 700.00	NA	R 700.00	R 700.00	NA	R 700.00	0.00%	R 742.00	R 103.88	R 845.88	6.00%	R 785.04	R 109.91	R 894.94	5.80%	R 828.21	R 115.95	R 944.16	5.50%	R 872.11	R 122.10	R 994.20	5.30%
BRANDWEERDIENSTE																									
Brandblusser	R 556.00	R 487.72	R 524.30	R 73.40	R 597.70	R 555.76	R 77.81	R 633.56	6.00%	R 589.10	R 82.47	R 671.58	6.00%	R 623.27	R 87.26	R 710.53	5.80%	R 657.55	R 92.06	R 749.61	5.50%	R 692.40	R 96.94	R 789.34	5.30%

Arbeid per uur	R 370.00	R 324.56	R 348.90	R 48.85	R 397.75	R 348.90	R 48.85	R 397.75	0.00%	R 369.84	R 51.78	R 421.62	6.00%	R 391.29	R 54.78	R 446.07	5.80%	R 412.81	R 57.79	R 470.60	5.50%	R 434.69	R 60.86	R 495.54	5.30%
Trok per km dorpsarea	R 5.55	R 4.87	R 5.22	R 0.73	R 5.95	R 5.53	R 0.77	R 6.31	6.00%	R 5.87	R 0.82	R 6.69	6.00%	R 6.74	R 0.94	R 7.69	15.00%	R 7.76	R 1.09	R 8.84	15.00%	R 8.92	R 1.25	R 10.17	15.00%
Trok per km buite dorpsgebied	R 11.70	R 10.26	R 11.05	R 1.55	R 12.60	R 11.71	R 1.64	R 13.35	6.00%	R 12.42	R 1.74	R 14.15	6.00%	R 14.28	R 2.00	R 16.28	15.00%	R 16.42	R 2.30	R 18.72	15.00%	R 18.88	R 2.64	R 21.53	15.00%
VOERTUIE PER UUR OF GEDEELTE DAARVAN																									
Laaigraaf	R 800.00	R 701.75	R 754.39	R 105.61	R 860.00	R 799.65	R 111.95	R 911.60	6.00%	R 847.63	R 118.67	R 966.30	6.00%	R 932.39	R 130.53	R 1 062.93	10.00%	R 1 025.63	R 143.59	R 1 169.22	10.00%	R 1 128.19	R 1 157.95	R 1 286.14	10.00%
Slootgrawer	R 800.00	R 701.75	R 754.39	R 105.61	R 860.00	R 799.65	R 111.95	R 911.60	6.00%	R 847.63	R 118.67	R 966.30	6.00%	R 932.39	R 130.53	R 1 062.93	10.00%	R 1 025.63	R 143.59	R 1 169.22	10.00%	R 1 128.19	R 1 157.95	R 1 286.14	10.00%
Padskrapers	R 800.00	R 701.75	R 754.39	R 105.61	R 860.00	R 799.65	R 111.95	R 911.60	6.00%	R 847.63	R 118.67	R 966.30	6.00%	R 932.39	R 130.53	R 1 062.93	10.00%	R 1 025.63	R 143.59	R 1 169.22	10.00%	R 1 128.19	R 1 157.95	R 1 286.14	10.00%
Wipbak Trok 6m3	R 600.00	R 526.32	R 565.79	R 79.21	R 645.00	R 599.74	R 83.96	R 683.70	6.00%	R 635.72	R 89.00	R 724.72	6.00%	R 699.29	R 97.90	R 797.19	10.00%	R 769.22	R 107.69	R 876.91	10.00%	R 846.14	R 118.46	R 964.60	10.00%
Trekker met sleepwa	R 500.00	R 438.60	R 471.49	R 66.01	R 537.50	R 499.78	R 69.97	R 569.75	6.00%	R 529.77	R 74.17	R 603.94	6.00%	R 582.74	R 81.58	R 664.33	10.00%	R 641.02	R 89.74	R 730.76	10.00%	R 705.12	R 98.72	R 803.84	10.00%
Vibreer Roller Groot	R 600.00	R 526.32	R 565.79	R 79.21	R 645.00	R 599.74	R 83.96	R 683.70	6.00%	R 635.72	R 89.00	R 724.72	6.00%	R 699.29	R 97.90	R 797.19	10.00%	R 769.22	R 107.69	R 876.91	10.00%	R 846.14	R 118.46	R 964.60	10.00%
Trekker met grassnyer/bossiekapper	R 400.00	R 350.88	R 377.19	R 52.81	R 430.00	R 399.82	R 55.98	R 455.80	6.00%	R 423.81	R 59.33	R 483.15	6.00%	R 466.20	R 65.27	R 531.46	10.00%	R 512.81	R 71.79	R 584.61	10.00%	R 564.10	R 78.97	R 643.07	10.00%
REFUSE																									
Households - Residential	R 51.30	R 45.00	R 48.38	R 6.77	R 55.15	R 51.28	R 7.18	R 58.46	6.00%	R 54.35	R 7.61	R 61.96	6.00%	R 57.51	R 8.05	R 65.56	5.80%	R 60.67	R 8.49	R 69.16	5.50%	R 63.89	R 8.94	R 72.83	5.30%
- Business	R 102.60	R 90.00	R 96.75	R 13.55	R 110.30	R 102.56	R 14.36	R 116.91	6.00%	R 108.71	R 15.22	R 123.93	6.00%	R 115.01	R 16.10	R 131.12	5.80%	R 121.34	R 16.99	R 138.33	5.50%	R 127.77	R 17.89	R 145.66	5.30%
State/Bank -	R 121.14	R 106.26	R 114.21	R 15.99	R 130.20	R 121.06	R 16.95	R 138.01	6.00%	R 128.33	R 17.97	R 146.29	6.00%	R 135.77	R 19.01	R 154.78	5.80%	R 143.24	R 20.05	R 163.29	5.50%	R 150.83	R 21.12	R 171.94	5.30%

School/Hotel	-	R 87.86	R 77.07	R 82.85	R 11.60	R 94.45	R 87.82	R 12.29	R 100.12	6.00%	R 93.09	R 13.03	R 106.12	6.00%	R 98.49	R 13.79	R 112.28	5.80%	R 103.91	R 14.55	R 118.45	5.50%	R 109.41	R 15.32	R 124.73	5.30%
Home	- Old Age	R 61.29	R 53.76	R 57.81	R 8.09	R 65.90	R 61.28	R 8.58	R 69.86	6.00%	R 64.96	R 9.09	R 74.05	6.00%	R 68.72	R 9.62	R 78.34	5.80%	R 72.50	R 10.15	R 82.65	5.50%	R 76.35	R 10.69	R 87.03	5.30%
Refuse	- Garden	R 17.00	R 14.91	R 16.05	R 2.25	R 18.30	R 17.01	R 2.38	R 19.39	6.00%	R 18.03	R 2.52	R 20.56	6.00%	R 19.08	R 2.67	R 21.75	5.80%	R 20.13	R 2.82	R 22.95	5.50%	R 21.20	R 2.97	R 24.16	5.30%
Load Garden Refuse - Bakkie		R 122.46	R 107.42	R 115.48	R 16.17	R 131.65	R 122.41	R 17.14	R 139.55	6.00%	R 129.75	R 18.17	R 147.92	6.00%	R 142.73	R 19.98	R 162.71	10.00 %	R 157.00	R 21.98	R 178.98	10.00 %	R 172.70	R 24.18	R 196.88	10.00 %
- Truck		R 227.78	R 199.81	R 214.78	R 30.07	R 244.85	R 227.67	R 31.87	R 259.54	6.00%	R 241.33	R 33.79	R 275.11	6.00%	R 265.46	R 37.16	R 302.62	10.00 %	R 292.01	R 40.88	R 332.89	10.00 %	R 321.21	R 44.97	R 366.17	10.00 %
Bouafval	- Tipper trok	R 334.44	R 293.37	R 315.35	R 44.15	R 359.50	R 334.27	R 46.80	R 381.07	6.00%	R 354.33	R 49.61	R 403.93	6.00%	R 389.76	R 54.57	R 444.33	10.00 %	R 428.74	R 60.02	R 488.76	10.00 %	R 471.61	R 66.03	R 537.63	10.00 %
Load sand - Tipper trok		R 276.51	R 242.55	R 260.74	R 36.50	R 297.25	R 276.39	R 38.69	R 315.08	6.00%	R 292.97	R 41.02	R 333.98	6.00%	R 322.27	R 45.12	R 367.38	10.00 %	R 354.49	R 49.63	R 404.12	10.00 %	R 389.94	R 54.59	R 444.53	10.00 %
Load Sand - Bakkie											R 100.00	R 14.00	R 114.00	100.00 %	R 110.00	R 15.40	R 125.40	10.00 %	R 121.00	R 16.94	R 137.94	10.00 %	R 133.10	R 18.63	R 151.73	10.00 %
Load grond		R 276.51	R 242.55	R 260.74	R 36.50	R 297.25	R 276.39	R 38.69	R 315.08	6.00%	R 292.97	R 41.02	R 333.98	6.00%	R 322.27	R 45.12	R 367.38	10.00 %	R 354.49	R 49.63	R 404.12	10.00 %	R 389.94	R 54.59	R 444.53	10.00 %
Load gruis		R 334.44	R 293.37	R 315.35	R 44.15	R 359.50	R 334.27	R 46.80	R 381.07	6.00%	R 354.33	R 49.61	R 403.93	6.00%	R 389.76	R 54.57	R 444.33	10.00 %	R 428.74	R 60.02	R 488.76	10.00 %	R 471.61	R 66.03	R 537.63	10.00 %
Electricity																										
Pre paid meter		R 1 938.00	R 1 700.00	R 1 827.50	R 2 255.85	R 2 083.35	R 1 937.15	R 2 271.20	R 2 208.35	6.00%	R 2 053.38	R 2 287.47	R 2 340.85	6.00%	R 2 172.47	R 2 304.15	R 2 476.62	5.80%	R 2 291.96	R 2 320.87	R 2 612.84	5.50%	R 2 413.44	R 2 337.88	R 2 751.32	5.30%
Special readings		R 200.80	R 176.14	R 189.34	R 26.51	R 215.85	R 200.70	R 28.10	R 228.80	6.00%	R 212.74	R 29.78	R 242.53	6.00%	R 225.08	R 31.51	R 256.59	5.80%	R 237.46	R 33.24	R 270.71	5.50%	R 250.05	R 35.01	R 285.05	5.30%
New installations		Actual cost + 25%				Actual cost + 25%	R -		Actual cost + 25%																	
Reconnection fees ( Non-payments)		R 342.00	R 300.00	R 322.50	R 45.15	R 367.65	R 341.85	R 47.86	R 389.71	6.00%	R 362.36	R 50.73	R 413.09	6.00%	R 383.38	R 53.67	R 437.05	5.80%	R 404.46	R 56.62	R 461.09	5.50%	R 425.90	R 59.63	R 485.53	5.30%

Reconnections (Tampering with meter)	R 1 710.00	R 1 500.00	R 1 612.50	R 1 225.75	R 1 838.25	R 1 709.25	R 1 239.30	R 1 948.55	6.00%	R 1 811.81	R 253.65	R 2 065.46	6.00%	R 1 916.89	R 268.36	R 2 185.25	5.80%	R 2 022.32	R 283.12	R 2 305.44	5.50%	R 2 129.50	R 298.13	R 2 427.63	5.30%
Reconnection (Tampering with network)	R 5 700.00	R 5 000.00	R 5 375.00	R 5 752.50	R 6 127.50	R 5 697.50	R 6 797.65	R 6 495.15	6.00%	R 6 039.35	R 845.51	R 6 884.86	6.00%	R 6 389.63	R 894.55	R 7 284.18	5.80%	R 6 741.06	R 943.75	R 7 684.81	5.50%	R 7 098.34	R 993.77	R 8 092.11	5.30%
Call-outs	R 250.80	R 220.00	R 236.49	R 33.11	R 269.60	R 250.68	R 35.10	R 285.77	6.00%	R 265.72	R 37.20	R 302.92	6.00%	R 281.13	R 320.49	R 320.49	5.80%	R 296.59	R 41.52	R 338.12	5.50%	R 312.31	R 356.04	R 43.72	5.30%
Test of meter on request	R 252.62	R 221.60	R 238.25	R 33.35	R 271.60	R 252.54	R 35.36	R 287.90	6.00%	R 267.69	R 37.48	R 305.17	6.00%	R 283.22	R 322.87	R 322.87	5.80%	R 298.80	R 41.83	R 340.63	5.50%	R 314.63	R 358.68	R 44.05	5.30%
Replace equipment inside house	R420.00 p.u+materia al				R450.00 p.u+materia al	R -		R450.00 p.u+materia al																	
Administration Cost	R 0.20				R 0.20	R -		R 0.20																	
<i>Municipal unit cost; Residential, Churches, Schools and Old Age Homes (single)</i>																									
Schools	R 1.12	R 0.98	R 1.18	R 0.17	R 1.35	R 1.2691	R 0.1768	R 1.4394	7.55%	R 1.3559	R 0.1898	R 1.5457	6.84%												
0-50 kwh	R 0.73	R 0.64	R 0.68	R 0.10	R 0.78	R 0.7000	R 0.0980	R 0.7980	2.94%	R 0.7704	R 0.1079	R 0.8783	10.06%	R 0.8644	R 0.1210	R 0.9854	12.20%	R 0.9698	0.14	R 0.8798	12.20%	R 1.0882	R 1.2405	R 0.15	12.20%
50+-350 kwh	R 0.83	R 0.73	R 0.82	R 0.11	R 0.93	R 0.8700	R 0.1218	R 0.9918	6.75%	R 0.9321	R 0.1305	R 1.0626	7.14%	R 1.0458	R 0.1464	R 1.1922	12.20%	R 1.1734	0.16	R 1.1381	12.20%	R 1.3166	R 1.5009	R 0.18	12.20%
350+-600 kwh	R 1.12	R 0.98	R 1.09	R 0.15	R 1.24	R 1.1700	R 0.1638	R 1.3338	7.34%	R 1.2525	R 0.1753	R 1.4278	7.05%	R 1.4053	R 0.1967	R 1.6020	12.20%	R 1.5767	0.22	R 1.5285	12.20%	R 1.7691	R 2.0168	R 0.25	12.20%
600+ kwh	R 1.32	R 1.16	R 1.29	R 0.18	R 1.47	R 1.3800	R 0.1932	R 1.5732	6.98%	R 1.4823	R 0.2075	R 1.6898	7.41%	R 1.6631	R 0.2328	R 1.8960	12.20%	R 1.8660	0.26	R 1.8150	12.20%	R 2.0937	R 2.3868	R 0.29	12.20%
<b>Basic Levy; Single Fase</b>	R 127.68	R 112.00	R 118.61	R 16.61	R 135.22	R 126.91	R 17.77	R 144.68	7.00%	R 136.29	R 19.08	R 155.37	7.39%	R 152.92	R 21.41	R 174.33	12.20%	R 171.58	24.02	R 166.85	12.20%	R 192.51	R 219.46	R 26.95	12.20%
<b>Basic Levy; Single Fase (Schools)</b>	R 351.12	R 308.00	R 326.17	R 45.66	R 371.83	R 349.00	R 48.86	R 397.86	7.00%	R 374.79	R 52.47	R 427.26	7.39%	R 152.92	R 21.41	R 174.33	-59.20%	R 171.58	24.02	R 166.85	12.20%	R 192.51	R 219.46	R 26.95	12.20%

Municipal unit cost; Residential ( prepaid)																										
0-50 kwh					R 0.717 4	R 0.100 4	R 0.8178	#DIV/0 !	R 0.770 4	R 0.107 9	R 0.8783	7.39%	R 0.8644	R 0.12	R 0.985 4	12.20 %	R 0.9699	R 0.14	R 1.1056	12.20 %	R 1.088 2	R 0.15	R 1.240 5	12.20 %		
50+-350 kwh					R 0.868 0	R 0.121 5	R 0.9895	#DIV/0 !	R 0.927 0	R 0.129 8	R 1.0568	6.80%	R 1.0401	R 0.15	R 1.185 7	12.20 %	R 1.1670	R 0.16	R 1.3304	12.20 %	R 1.309 4	R 0.18	R 1.492 7	12.20 %		
350+-600 kwh					R 1.166 3	R 0.163 3	R 1.3296	#DIV/0 !	R 1.252 5	R 0.175 3	R 1.4278	7.39%	R 1.4053	R 0.20	R 1.602 0	12.20 %	R 1.5767	R 0.22	R 1.7975	12.20 %	R 1.769 1	R 0.25	R 2.016 8	12.20 %		
600+ kwh					R 1.380 3	R 0.193 2	R 1.5735	#DIV/0 !	R 1.482 3	R 0.207 5	R 1.6898	7.39%	R 1.6631	R 0.23	R 1.896 0	12.20 %	R 1.8660	R 0.26	R 2.1273	12.20 %	R 2.093 7	R 0.29	R 2.386 8	12.20 %		
Availability and Unit cost: Prepaid Meters		R 62.70	R 55.00	R 58.25	R 8.16	R 66.41	R 62.33	R 8.725 9	R 71.05	R 7.00%	R 66.94	R 9.371 6	R 76.311 3	7.40%	R 75.11	R 10.51	R 85.62	12.20 %	R 84.27	R 11.80	R 96.07	12.20 %	R 94.55	R 13.24	R 107.7 9	12.20 %
Municipal unit cost; Residential, Churches & Old Age Homes (three phase)																										
Residential																										
0-50 kwh					R 0.717 4	R 0.100 4	R 0.8178	#DIV/0 !	R 0.770 4	R 0.107 9	R 0.8783	7.39%	R 0.8644	R 0.12	R 0.99	12.20 %	R 0.9699	R 0.14	R 1.1056	12.20 %	R 1.088 2	R 0.15	R 1.240 5	12.20 %		
50+-350 kwh					R 0.868 0	R 0.121 5	R 0.9895	#DIV/0 !	R 0.927 0	R 0.129 8	R 1.0568	6.80%	R 1.0401	R 0.15	R 1.19	12.20 %	R 1.1670	R 0.16	R 1.3304	12.20 %	R 1.309 4	R 0.18	R 1.492 7	12.20 %		
350+-600 kwh					R 1.166 3	R 0.163 3	R 1.3296	#DIV/0 !	R 1.252 5	R 0.175 3	R 1.4278	7.39%	R 1.4053	R 0.20	R 1.60	12.20 %	R 1.5767	R 0.22	R 1.7975	12.20 %	R 1.769 1	R 0.25	R 2.016 8	12.20 %		
600+ kwh					R 1.380 3	R 0.193 2	R 1.5735	#DIV/0 !	R 1.482 3	R 0.207 5	R 1.6898	7.39%	R 1.6631	R 0.23	R 1.90	12.20 %	R 1.8660	R 0.26	R 2.1273	12.20 %	R 2.093 7	R 0.29	R 2.386 8	12.20 %		
Churches																										
0-50 kwh		R 1.25	R 1.10	R 0.68	R 0.10	R 0.78	R 0.717 4	R 0.100 4	R 0.8178	5.50%	R 0.770 4	R 0.107 9	R 0.8783	7.39%	R 0.8644	R 0.12	R 0.99	12.20 %	R 0.9699	R 0.14	R 1.1056	12.20 %	R 1.088 2	R 0.15	R 1.240 5	12.20 %

	R 1.25	R 1.10	R 0.81	R 0.11	R 0.92	R 0.8680	R 0.1215	R 0.9896	7.10%	R 0.9270	R 0.1298	R 1.0568	6.79%	R 1.0401	R 0.15	R 1.19	12.20 %	R 1.1670	R 0.16	R 1.3304	12.20 %	R 1.3094	R 0.18	R 1.4927	12.20 %
50+-350 kwh	R 1.25	R 1.10	R 1.09	R 0.15	R 1.24	R 1.1663	R 0.1633	R 1.3296	7.00%	R 1.2525	R 0.1753	R 1.4278	7.39%	R 1.4053	R 0.20	R 1.60	12.20 %	R 1.5767	R 0.22	R 1.7975	12.20 %	R 1.7691	R 0.25	R 2.0168	12.20 %
350+-600 kwh	R 1.25	R 1.10	R 1.09	R 0.15	R 1.24	R 1.1663	R 0.1633	R 1.3296	7.00%	R 1.2525	R 0.1753	R 1.4278	7.39%	R 1.4053	R 0.20	R 1.60	12.20 %	R 1.5767	R 0.22	R 1.7975	12.20 %	R 1.7691	R 0.25	R 2.0168	12.20 %
600+ kwh	R 1.25	R 1.10	R 1.29	R 0.18	R 1.47	R 1.3803	R 0.1932	R 1.5735	7.00%	R 1.4823	R 0.2075	R 1.6898	7.39%	R 1.6631	R 0.23	R 1.90	12.20 %	R 1.8660	R 0.26	R 2.1273	12.20 %	R 2.0937	R 0.29	R 2.3868	12.20 %
Old Age Homes																									
0-50 kwh	R 1.27	R 1.11	R 0.68	R 0.10	R 0.78	R 0.7174	R 0.1019	R 0.8295	5.50%	R 0.7704	R 0.1079	R 0.8783	7.39%	R 0.8644	R 0.12	R 0.99	12.20 %	R 0.9699	R 0.14	R 1.1056	12.20 %	R 1.0882	R 0.15	R 1.2405	12.20 %
50+-350 kwh	R 1.27	R 1.11	R 0.81	R 0.11	R 0.92	R 0.8680	R 0.1214	R 0.9886	7.10%	R 0.9270	R 0.1298	R 1.0568	6.79%	R 1.0401	R 0.15	R 1.19	12.20 %	R 1.1670	R 0.16	R 1.3304	12.20 %	R 1.3094	R 0.18	R 1.4927	12.20 %
350+-600 kwh	R 1.27	R 1.11	R 1.09	R 0.15	R 1.24	R 1.1663	R 0.1633	R 1.3296	7.00%	R 1.2525	R 0.1753	R 1.4278	7.39%	R 1.4053	R 0.20	R 1.60	12.20 %	R 1.5767	R 0.22	R 1.7975	12.20 %	R 1.7691	R 0.25	R 2.0168	12.20 %
600+ kwh	R 1.27	R 1.11	R 1.29	R 0.18	R 1.47	R 1.3803	R 0.1932	R 1.5735	7.00%	R 1.4823	R 0.2075	R 1.6898	7.39%	R 1.6631	R 0.23	R 1.90	12.20 %	R 1.8660	R 0.26	R 2.1273	12.20 %	R 2.0937	R 0.29	R 2.3868	12.20 %
Basic Levy; 3 Fase	R 153.90	R 135.00	R 142.97	R 20.02	R 162.99	R 152.98	R 21.42	R 174.39	7.00%	R 164.29	R 23.00	R 187.29	7.39%	R 184.33	R 25.81	R 210.14	12.20 %	R 206.82	R 28.96	R 235.7771	12.20 %	R 232.05	R 32.49	R 264.54	12.20 %
Municipal unit cost for Commercial: Single Phase																									
Commercial Conventional	R 1.22	R 1.07	R 1.18	R 0.17	R 1.35	R 1.2691	R 0.1768	R 1.4394	7.55%	R 1.3559	R 0.1898	R 1.5457	6.84%	R 1.5213	R 0.21	R 1.7343	12.20 %	R 1.7069	R 0.24	R 1.9459	12.20 %	R 1.9152	R 0.27	R 2.1833	12.20 %
Hospitals	R 1.27	R 1.11	R 1.18	R 0.17	R 1.35	R 1.2691	R 0.1768	R 1.4394	7.55%	R 1.3559	R 0.1898	R 1.5457	6.84%	R 1.5213	R 0.21	R 1.7343	12.20 %	R 1.7069	R 0.24	R 1.9459	12.20 %	R 1.9152	R 0.27	R 2.1833	12.20 %
Halls	R 1.25	R 1.10	R 1.18	R 0.17	R 1.35	R 1.2691	R 0.1768	R 1.4394	7.55%	R 1.3559	R 0.1898	R 1.5457	6.84%	R 1.5213	R 0.21	R 1.7343	12.20 %	R 1.7069	R 0.24	R 1.9459	12.20 %	R 1.9152	R 0.27	R 2.1833	12.20 %
Government	R 1.12	R 0.98	R 1.18	R 0.17	R 1.35	R 1.2691	R 0.1768	R 1.4394	7.55%	R 1.3559	R 0.1898	R 1.5457	6.84%	R 1.5213	R 0.21	R 1.7343	12.20 %	R 1.7069	R 0.24	R 1.9459	12.20 %	R 1.9152	R 0.27	R 2.1833	12.20 %
Basic Levy; Single Fase	R 351.12	R 308.00	R 326.17	R 45.66	R 371.83	R 349.00	R 48.86	R 397.86	7.00%	R 374.79	R 52.47	R 427.26	7.39%	R 420.52	R 58.87	R 479.39	12.20 %	R 471.82	R 66.05	R 537.88	12.20 %	R 529.38	R 74.11	R 603.50	12.20 %

Municipal unit cost for Commercial (three phase)																									
Commercial Conventional 3 phase	R 1.38	R 1.21	R 1.34	R 0.19	R 1.53	R 1.437	R 0.201	R 1.6388	7.00%	R 1.543	R 0.216	R 1.7598	7.38%	R 1.7320	R 0.24	R 1.974	12.20 %	R 1.9433	R 0.27	R 2.2154	12.20 %	R 2.180	R 0.31	R 2.486	12.20 %
Basic Levy; 3 Fase	R 442.32	R 388.00	R 388.00	R 54.32	R 415.16	R 58.12	R 473.28	7.00%	R 445.84	R 62.42	R 508.26	7.39%	R 500.23	R 70.03	R 570.27	12.20 %	R 561.26	R 78.58	R 639.84	12.20 %	R 629.74	R 88.16	R 717.90	12.20 %	
Municipal Departments			R 1.18	R 0.17	R 1.35	R 1.2691	R 0.1768	R 1.4394	7.55%	R 1.3559	R 0.1898	R 1.5457	6.84%	R 1.5213	R 0.21	R 1.7343	12.20 %	R 1.7069	R 0.24	R 1.9459	12.20 %	R 1.9152	R 0.27	R 2.1833	12.20 %
Availability: Empty Erven	R 84.36	R 74.00	R 78.14	R 10.36	R 88.50	R 82.83	R 12.39	R 95.22	6.00%	R 87.80	R 12.29	R 100.09	6.00%	R 98.51	R 13.79	R 112.30	12.20 %	R 110.53	R 15.47	R 126.00	12.20 %	R 124.01	R 17.36	R 141.37	12.20 %
<b>Deposito's</b>																									
Households	R 1 360.00	R 1 360.00	R 1 462.00	NA	R 1 462.00	R 1 549.72	NA	R 1 549.72	6.00%	R 1 642.70	N/A	R 1 642.70	6.00%	R 1 737.98	N/A	N/A	5.80%	R 1 833.57	N/A	R 1 833.57	5.50%	R 1 930.75	NA	R 1 930.75	5.30%
Flats	R 1 122.00	R 1 122.00	R 1 206.15	NA	R 1 206.15	R 1 278.52	NA	R 1 278.52	6.00%	R 1 355.23	R 1 355.23	R 1 355.23	6.00%	R 1 433.83	N/A	N/A	5.80%	R 1 512.69	N/A	R 1 512.69	5.50%	R 1 592.87	N/A	R 1 592.87	5.30%
Business	R 2 500.00	R 2 500.00	R 2 687.50	NA	R 2 687.50	R 2 848.75	NA	R 2 848.75	6.00%	R 3 019.68	R 422.75	R 3 019.68	6.00%	R 3 194.82	N/A	N/A	5.80%	R 3 370.53	N/A	R 3 370.53	5.50%	R 3 549.17	N/A	R 3 549.17	5.30%
Church, Senior Citizens Burger Centre	R 1 600.00	R 1 600.00	R 1 720.00	NA	R 1 720.00	R 1 823.20	NA	R 1 823.20	6.00%	R 1 932.59	R 270.56	R 1 932.59	6.00%	R 2 044.68	N/A	N/A	5.80%	R 2 157.14	N/A	R 2 157.14	5.50%	R 2 271.47	N/A	R 2 271.47	5.30%
<b>WATER</b>																									
Spesiale Lesings	R 158.00	R 138.60	R 149.00	R 20.86	R 169.85	R 157.93	R 22.11	R 180.05	6.00%	R 167.41	R 23.44	R 190.85	6.00%	R 177.12	R 24.80	R 201.92	5.80%	R 186.86	R 26.16	R 213.02	5.50%	R 196.77	R 27.55	R 224.31	5.30%
Nuwe Installasies	Werklike kostes + 25%				Werklike kostes + 25%			Werklike kostes + 25%																	
Uitroepgelde	R 250.80	R 220.00	R 236.49	R 33.11	R 269.60	R 250.68	R 35.10	R 285.77	6.00%	R 265.72	R 37.20	R 302.92	6.00%	R 281.13	R 39.36	R 320.49	5.80%	R 296.59	R 41.52	R 338.12	5.50%	R 312.31	R 43.72	R 356.04	5.30%
Toets van meter op versoek	R 245.10	R 215.00	R 231.14	R 32.36	R 263.50	R 245.01	R 34.30	R 279.31	6.00%	R 259.71	R 36.36	R 296.07	6.00%	R 274.77	R 38.47	R 313.24	5.80%	R 289.88	R 40.58	R 330.47	5.50%	R 305.25	R 42.73	R 347.98	5.30%



- Huishoudelik + Kerke +Sport Klubs+Skole	R 42.18	R 37.00	R 39.79	R 5.57	R 45.35	R 42.17	R 5.90	R 48.08	6.00%	R 44.70	R 6.26	R 50.96	6.00%	R 47.30	R 6.62	R 53.92	5.80%	R 49.90	R 6.99	R 56.88	5.50%	R 52.54	R 7.36	R 59.90	5.30%
- Besigheide	R 51.87	R 45.50	R 48.90	R 6.85	R 55.75	R 51.83	R 7.26	R 59.09	6.00%	R 54.94	R 7.69	R 62.64	6.00%	R 58.13	R 8.14	R 66.27	5.80%	R 61.33	R 8.59	R 69.91	5.50%	R 64.58	R 9.04	R 73.62	5.30%
Availability Vacant Sites	R 25.65	R 22.50	R 24.21	R 3.39	R 27.60	R 25.66	R 3.59	R 29.26	6.00%	R 27.20	R 3.81	R 31.01	6.00%	R 28.78	R 4.03	R 32.81	5.80%	R 30.36	R 4.25	R 34.61	5.50%	R 31.97	R 4.48	R 36.45	5.30%
Sewerage																									
Bucket system	R 77.16	R 67.68	R 72.77	R 10.19	R 82.95	R 77.13	R 10.80	R 87.93	6.00%	R 81.76	R 11.45	R 93.20	6.00%	R 86.50	R 12.11	R 98.61	5.80%	R 91.26	R 12.78	R 104.03	5.50%	R 96.09	R 13.45	R 109.55	5.30%
Call Out	R 250.80	R 220.00	R 236.49	R 33.11	R 269.60	R 250.68	R 35.10	R 285.77	6.00%	R 265.72	R 37.20	R 302.92	6.00%	R 281.13	R 39.36	R 320.49	5.80%	R 296.59	R 41.52	R 338.12	5.50%	R 312.31	R 43.72	R 356.04	5.30%
Besikbaarheid van dienslyn - Residensieel	R 87.56	R 76.81	R 82.59	R 11.56	R 94.15	R 87.55	R 12.26	R 99.80	6.00%	R 92.80	R 12.99	R 105.79	6.00%	R 98.18	R 13.75	R 111.93	5.80%	R 103.58	R 14.50	R 118.08	5.50%	R 109.07	R 15.27	R 124.34	5.30%
Besighede	- R 190.21	R 166.85	R 179.34	R 25.11	R 204.45	R 190.10	R 26.61	R 216.71	6.00%	R 201.51	R 28.21	R 229.72	6.00%	R 213.19	R 29.85	R 243.04	5.80%	R 224.92	R 31.49	R 256.41	5.50%	R 236.84	R 33.16	R 270.00	5.30%
Staat/Kooperasies	- R 593.36	R 520.49	R 559.52	R 78.33	R 637.85	R 593.09	R 83.03	R 676.12	6.00%	R 628.68	R 88.01	R 716.69	6.00%	R 665.14	R 93.12	R 758.26	5.80%	R 701.72	R 98.24	R 799.96	5.50%	R 738.91	R 103.45	R 842.36	5.30%
Skole	- R 098.85	R 963.90	R 1036.18	R 145.07	R 181.25	R 1098.35	R 153.77	R 252.12	6.00%	R 164.25	R 163.00	R 1327.25	6.00%	R 1231.78	R 172.45	R 1404.23	5.80%	R 1299.53	R 181.93	R 1481.46	5.50%	R 1368.40	R 191.58	R 1559.98	5.30%
Correctional Service	- R 296.42	R 2891.60	R 3108.47	R 435.19	R 3543.65	R 3294.97	R 461.30	R 3756.27	6.00%	R 3492.67	R 488.97	R 3981.65	6.00%	R 3695.25	R 517.33	R 4212.58	5.80%	R 3898.48	R 545.79	R 444.27	5.50%	R 4105.10	R 574.71	R 4679.82	5.30%
Hotel HPT	- R 528.12	R 463.26	R 498.03	R 69.72	R 567.75	R 527.91	R 73.91	R 601.82	6.00%	R 559.59	R 78.34	R 637.93	6.00%	R 592.04	R 82.89	R 674.93	5.80%	R 624.60	R 87.44	R 712.05	5.50%	R 657.71	R 92.08	R 749.79	5.30%
Hotel STRY	- R 320.08	R 280.77	R 301.84	R 42.26	R 344.10	R 319.95	R 44.79	R 364.74	6.00%	R 339.15	R 47.48	R 386.63	6.00%	R 358.82	R 50.23	R 409.05	5.80%	R 378.55	R 53.00	R 431.55	5.50%	R 398.62	R 55.81	R 454.42	5.30%
Gariep	- R 190.21	R 166.85	R 179.34	R 25.11	R 204.45	R 190.10	R 26.61	R 216.71	6.00%	R 203.41	R 28.48	R 231.88	7.00%	R 215.21	R 30.13	R 245.33	5.80%	R 227.04	R 31.79	R 258.83	5.50%	R 239.07	R 33.47	R 272.54	5.30%
Riooltent per vraag - Residensieel	- R 83.73	R 73.45	R 78.95	R 11.05	R 90.00	R 83.69	R 11.72	R 95.40	6.00%	R 88.71	R 12.42	R 101.13	6.00%	R 93.85	R 13.14	R 106.99	5.80%	R 99.02	R 13.86	R 112.88	5.50%	R 104.26	R 14.60	R 118.86	5.30%

Besighede	-	R 189.60	R 166.32	R 178.82	R 25.03	R 203.85	R 189.55	R 26.54	R 216.09	6.00%	R 200.92	R 28.13	R 229.05	6.00%	R 212.58	R 29.76	R 242.34	5.80%	R 224.27	R 31.40	R 255.66	5.50%	R 236.15	R 33.06	R 269.21	5.30%
Ouete huis	-	R 282.55	R 247.85	R 266.45	R 37.30	R 303.75	R 282.44	R 39.54	R 321.98	6.00%	R 299.38	R 41.91	R 341.30	6.00%	R 316.75	R 44.34	R 361.09	5.80%	R 334.17	R 46.78	R 380.95	5.50%	R 351.88	R 49.26	R 401.14	5.30%
Sportklubs	-	R 21.19	R 18.59	R 20.00	R 2.80	R 22.80	R 21.20	R 2.97	R 24.17	6.00%	R 22.47	R 3.15	R 25.62	6.00%	R 23.78	R 3.33	R 27.10	5.80%	R 25.08	R 3.51	R 28.59	5.50%	R 26.41	R 3.70	R 30.11	5.30%
New installations/Nuwe installering		Werklike Koste + 25%				Werklike Koste + 25%	R -		Werklike Koste + 25%					Werklike Koste + 25%				Werklike Koste + 25%								
Besikbaarheid Lee Erwe		R 48.84	R 42.84	R 46.05	R 6.45	R 52.50	R 48.82	R 6.83	R 55.65	6.00%	R 51.75	R 7.24	R 58.99	6.00%	R 54.75	R 7.66	R 62.41	5.80%	R 57.76	R 8.09	R 65.84	5.50%	R 60.82	R 8.51	R 69.33	5.30%
Sewerage Obstruction		R 97.68	R 85.68	R 92.11	R 12.89	R 105.00	R 97.63	R 13.67	R 111.30	6.00%	R 103.49	R 14.49	R 117.98	6.00%	R 109.49	R 15.33	R 124.82	5.80%	R 115.51	R 16.17	R 131.69	5.50%	R 121.64	R 17.03	R 138.67	5.30%

**ANNEXURE 14: EXCEL BUDGET DOCUMENT**

DRAFT